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DECEMBER • 1958

The Air Magazine For The Modern Shipper Vol. 33 No. 6

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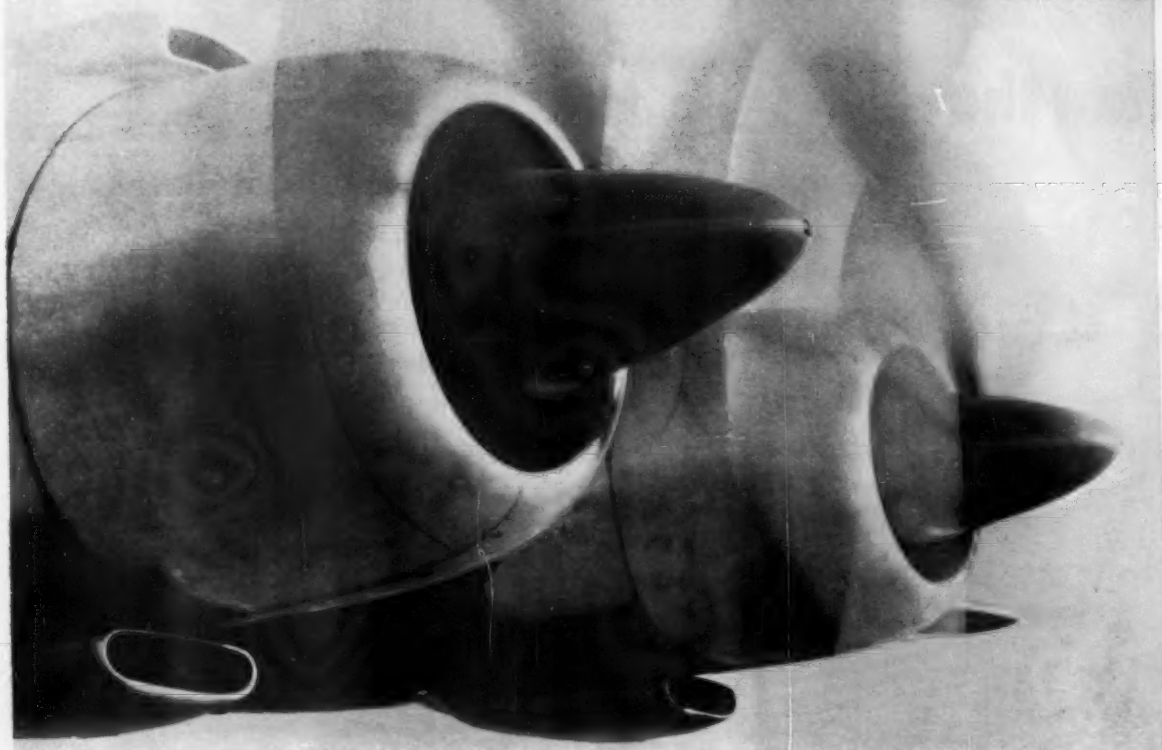
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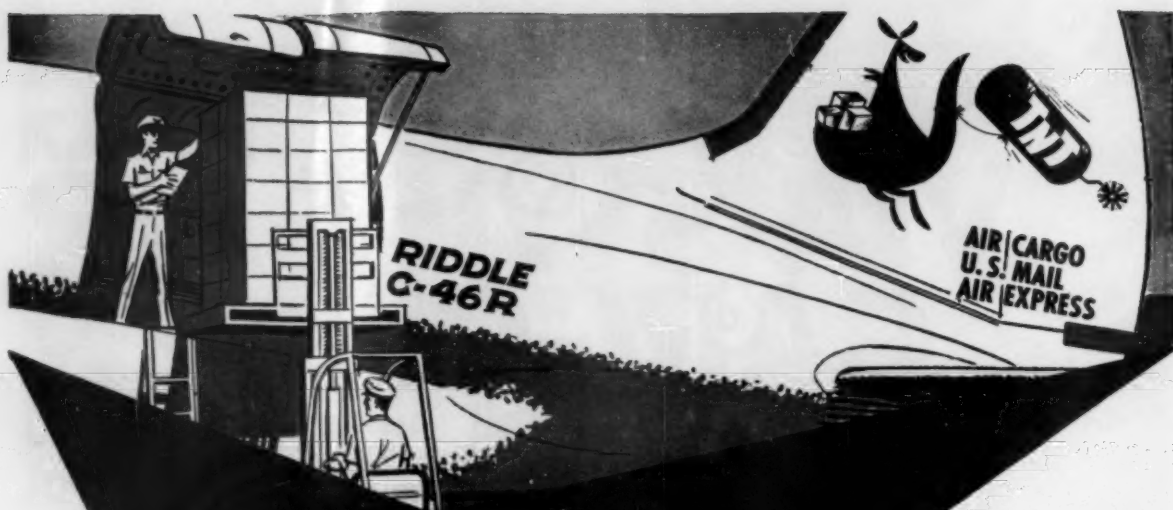


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AIR TRANSPORTATION, published once each month, thoroughly covers the entire air cargo industry for the benefit of all those engaged in shipping and handling domestic and international air freight, air express, and air parcel post. Included in AIR TRANSPORTATION'S wide coverage are: air shipping, cargo plane development, rates, packaging, materials handling, documentation, air cargo terminal development, insurance, routing, interline procedures, new equipment, commercial airlines, military air transport service, air freight forwarding.

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## Freight Facility Under Construction by Delta

Delta Air Lines is keeping pace with shippers' growing demands on its cargo services by putting up a new 5,000-square foot freight terminal at Atlanta Airport.



Pogue  
New freight terminal

According to John Pogue, manager of cargo, the \$100,000 facility will be ready for use by the middle of next month.

Features include truck-level docks on one side of the structure, and ground level flooring on rampside where airfreighters will be loaded; canopies which will extend the full 100-foot length of the building; cold storage; and built-in conveyor system. The loading and unloading docks will be able to accommodate up to eight trucks and three airfreighters.

Pogue pointed out that Delta recently opened the first all-cargo operation between the Northeast and Houston, while adding a second round trip in its Atlanta-Dallas airfreighter run. He added that the airline offers shippers the only all-cargo service into and out of Birmingham, and the sole late-evening all-cargo flights from Dallas to Philadelphia and New York.

## Alitalia Protests News Handling of Jet Dispute

Hard on the heels of a report in several New York newspapers that the Italian Government had refused to allow Pan American World Airways to operate scheduled jet service to Rome, Alitalia charged an inference had been made that the action was designed to protect Alitalia. The Italian airline is not expected to inaugurate transatlantic DC-8 jet service before 1960.

Fabrizio Serena, Alitalia's North American general manager, took strong exception to the statements "which do not represent the facts." His company protests "distortions of the facts and the high pressure tactics which have been directed against it."

He stated that Pan Am advertised its first regular jet service to Rome, commencing October 26, "without having obtained previous permission from the Italian Government."

"In spite of the attitude displayed by PAA, the Italian authorities, after being contacted through the normal diplomatic channels, issued a landing permit," Serena said.

Referring to newspaper statements which

## International Air Forwarders Win Most Points Before Board

The international air freight forwarding industry of the United States is generally appreciative of the recent long-awaited decision of the Civil Aeronautics Board in the International Air Freight Forwarder Investigation (Docket No. 7132). Handed down November 7, the opinion found Chairman James R. Durfee and Member G. Joseph Minetti in full agreement with it. Vice Chairman Chan Gurney and Members Harman D. Denny and Louis J. Hector filed separate concurring and dissenting opinions.

The opinion nailed down most of the points supported by the forwarders and the Air Freight Forwarders Association. General satisfaction in international forwarding circles was indicated throughout the country. There was, however, keen disappointment in their failure to win approval of free or reduced-rate air travel privileges. Also looming was a fight on

the Board's recommendation to redesignate the international air freight forwarder as "air cargo consolidator."

The complete text of the Board's opinion appears on Page 16 of this issue. Following, in brief, are the point-by-point decisions:

► Operating authority of all international air freight forwarders renewed for an indefinite period, with form of authorization similar to that granted to domestic forwarders.

► No need found for imposition of a fitness test, requirement for showing of public need at hearing and/or restriction of individual forwarder service to specific geographical areas, points and/or commodities.

► Evidence found insufficient to justify creation of a special classification of indirect air carriers-shippers associations.

► No need found for instituting a further investigation of the necessity for assuming jurisdiction over foreign air freight forwarders. United States international air freight forwarders should be relieved from the requirement of filing and adhering to tariffs on inbound-United States shipments.

► International air freight forwarders are authorized to negotiate and file pooling agreements relating to earnings and traffic with other forwarders, subject to Board approval, pursuant to Section 412 of the Act. All agreements with foreign agents (Continued on Page 31)

## Riddle Resumes All-Cargo Service to Philadelphia

Riddle Airlines, scheduled all-cargo carrier, has supplanted its demand-only service to and from Philadelphia five days a week, Tuesday through Saturday. An announcement by the airline's Philadelphia district sales manager, Herbert L. Garrison, said that the scheduled service, temporarily suspended earlier this year, was resumed by popular demand of the shippers.

The northbound flight arrives Philly at 1 a.m. daily from Tampa, Orlando, and Miami. The southbound flight departs the city at 4:40 a.m., reaching Orlando at 9:35 a.m., Tampa at 10:55 a.m., and Miami at 12:50 p.m.

"gave the impression that the Government's proposed jet surcharge was a last-moment maneuver," the Alitalia executive asserted:

"We feel it is necessary to point out that the Italian Government's position on this issue was made known to members of the International Air Transport Association as far back as 1957. The only occasion Alitalia had to formally set forth its opinion on jet tariffs was at the IATA conference in Cannes, which has just been adjourned in a deadlock. At this conference our company supported the principle of the jet surcharge."

Serena pointed out that the Italian carrier's request for a surcharge to be fixed within the IATA framework, was supported by many other airlines. The majority of the international carriers, he said, "have assumed the same position as Alitalia, while only two United States airline companies (Pan Am and Panagra) had opposing opinions." He noted also that the two national airlines of Britain, BEA and BOAC, differed on the proposal.

## North Atlantic Cargo Up 33% in 3rd Quarter

The International Air Transport Association, organization of the world's scheduled airlines, reported that in the July-September, 1958 period North Atlantic cargo traffic over the North Atlantic reached 6,596,321 kilograms. This represented a 33 percent increase over the total for the same quarter of the previous year. The IATA airlines flew a total of 10,253 flights, of which 539 were all-cargo, in the third quarter of this year.

## SERVICES

### Domestic

#### 2 NEW SERVICES TO FLORIDA

Northwest Orient Airlines and Trans World Airlines are scheduled to inaugurate Florida services this month—NWA on December 1, and TWA on December 16.

NWA starts with a schedule of eight daily flights between Chicago and Miami, six of these nonstop and two via Tampa-St. Petersburg-Clearwater. On December 15, the service will be upped to 14 daily flights from the Windy City, 10 of these nonstop to Miami and the rest via the aforementioned Florida points. Services to Tampa-St. Petersburg-Clearwater will be augmented by a turnaround flight to Chicago which will omit Miami. Chicago-Miami flights originate in Seattle-Tacoma, Minneapolis-St. Paul, and Milwaukee, serving Chicago enroute. *Stratocruisers*, DC-6Bs, and DC-7Cs will be used.

TWA likewise opens with eight flights a day, from the West Coast to Miami. New cities served enroute are Nashville, Atlanta, Florida, Tampa, St. Petersburg, and Clearwater. Included in the new transcontinental service are nonstop flights between Miami and St. Louis, and one-stop flights between Miami and Los Angeles and Miami and San Francisco. *Super-G Constellations* will be operated on six of the daily flights, and *Constellations* on the other two.

#### AA JETS FLY NEXT MONTH

On January 23, American Airlines will introduce the 410-mile-an-hour propjet Lockheed *Electra* between New York and Chicago. Two days later the first of

AA's 600-mile-an-hour pure jet Boeing 707s will take to the air for the first time on the New York-Los Angeles route. The *Electras* will offer half a dozen nonstop round trips daily; the 707, a daily nonstop round trip. A second 707 will enter into service on February 1. The airline said that pure jet service will be extended to San Francisco, Chicago, Dallas, Baltimore, Boston, and Washington, D. C. by the middle of 1959.

#### MORE UAL ALL-CARGO

United Air Lines is now providing overnight all-cargo service between New York and Cleveland in both directions. DC-6s leave both Cleveland and La Guardia Airports at 1 a.m. Tuesday through Saturdays. Eastbound flight lands at Newark at 2:42 a.m.; westbound flight reaches Cleveland at 3:10 a.m.

#### LAA SERVES GLENDALE

Los Angeles Airways, helicopter airline, starts scheduled service between Los Angeles International Airport and Glendale, California, on December 18, with eight flights daily.

### Transatlantic

#### NEW SAS ROUTE TO ALASKA

Nonstop service between Anchorage and Copenhagen was recently inaugurated by Scandinavian Airlines System. The carrier's DC-7C made the 4,400-mile transpolar flight in 14½ hours. The Alaska city is 12½ hours flying time from Tokyo. The Alaska-Europe run is on a twice weekly basis, departing Copenhagen on Sundays and Tuesdays, and from Anchorage on Wednesdays and Saturdays.

SAS recently started its fifth year of transpolar operation. First run was on November 15, 1954, from Copenhagen to Los Angeles. Since that time it has hauled in excess of 3.5 million pounds of freight and mail, in addition to flying more than 402 million passenger-miles.

#### BOAC COMET 4 NOW DAILY

British Overseas Airways Corporation's de Havilland *Comet 4* has moved into daily operation between London and New York, taking over the well-known Monarch service formerly operated by Boeing's double-decked *Stratocruisers*. Departures from New York are at 9 p.m. daily; from London, 10:15 a.m.

### Transpacific

#### JAL AIRFREIGHTER FLIGHTS

Mindful of the traditional pre-Christmas rush, Japan Air Lines has placed in service a DC-4 cargo plane to accommodate the overflow of shipments. Four all-cargo round trips were scheduled. Two round trips were completed in November. Two more are set for December, departing Tokyo on December 4 and 17, and westbound from San Francisco on December 6 and 19. All departures are at 4 p.m. PST.

### U. S.-Latin America

#### TSA, REAL JOIN SCHEDULES

Flight schedules of TSA-Transcontinental, Argentine air carrier, and REAL, Brazilian airline, have been integrated, providing a total of six weekly departures from New York, Chicago, and Miami. Together they serve more than 250 cities in



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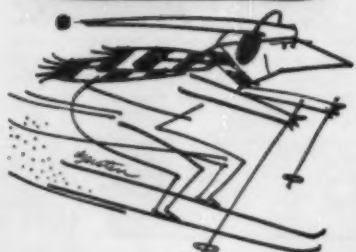


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## NEW CMA SERVICE

CMA Mexicana de Aviacion has inaugurated nonstop flights from Los Angeles to Acapulco, Mexico. Nonstop flights are twice weekly—at 10:15 p.m. PST Fridays, with DC-6 aircraft, and Sundays with *Britannias*.

## Caribbean

### BWIA HOPS NOW DAILY

British West Indian Airways' *Dakota* island hops between San Juan and Tobago are now on a daily basis. Takeoff from San Juan is at 8 a.m., with landing in Tobago scheduled for 7 p.m. Intermediate stops are at St. Thomas, St. Kitts, Antigua, Martinique, St. Lucia, Barbados, Grenada, and Trinidad.

## Canada

### MCA NORTHLINE SERVICE

Maritime Central Airways has introduced its new Northline Service, which links the airline's Moncton, New Brunswick base with Stephenville, Newfoundland; Goose Bay and Saglek, Labrador; and Frobisher, North West Territory. Departure from Moncton is every Wednesday, and from Frobisher every Thursday. MCA flies over some 3,000 miles of northland in this operation.

## Europe

### IAL ADDS CITIES

Irish Air Lines has added Lisbon and Copenhagen to its European network, with service from Dublin to those points scheduled to open in the spring. Copenhagen will be served once weekly, via Lourdes; and Copenhagen twice weekly, via Manchester and Dusseldorf.

## COMMERCIAL AIRCRAFT

### NEW LUFTHANSA AIRCRAFT

Lufthansa German Airlines is spending approximately \$31½ million for 13 new transports. When delivered, they will boost the carrier's fleet to 34. Aircraft purchases involve four Boeing 707 jets and nine Vickers *Viscount 814* propjets. The pure jets will be delivered starting in the spring of 1960; the propjets, almost immediately. Boeing aircraft, which cost \$20.6 million, are slated for transatlantic operation. *Viscounts* will operate on Lufthansa's European and Middle Eastern routes.

### SUPER 46C FOR TSA

The Argentine airline, TSA-Transcontinental, has purchased a Super 46C transport from Smith Aircraft Corporation, sole manufacturer of the C-46 modification. Delivery will be made this month.

### ANOTHER DC-6C FOR ALASKA

Alaska Airlines has received its third DC-6C from Douglas Aircraft. The \$1.8 million plane will be placed in service on the Seattle-Anchorage run this month.

### MCA RECEIVES DC-6A

The Canadian airline, Maritime Central Airways, last month received a \$1.3 million DC-6A ordered from Douglas more than

two years ago. Capable of lifting 15 tons of cargo, the aircraft will be flown in MCA's international services and on long-haul northern operations in Canada.

### FIRST F-27B FOR NCA

Northern Consolidated Airlines has received the first of its three ordered Fairchild F-27B passenger-cargo propjets. Special cargo-loading door measures 90" x 72", said to be large enough to permit a jeep to drive through. Cargo deck is truck-bed height. Forward bulkhead is movable, allowing cargo space (or passenger space) to vary as needed.

### NEWER CARAVELLE COMING

Sud Aviation, builders of the *Caravelle* jet transport, will have a more powerful version ready by 1961. Cruising speed will be upped to 540 miles per hour at 25,000 feet, and the range increased to 1,850 miles with a full load. The French plane will have more powerful Rolls-Royce engines, each providing a takeoff thrust of 13,000 pounds. Maximum gross weight has been boosted to 106,000 pounds.

## NEW OFFICES

### ALITALIA

**Miami**—245 S. E. 1st Street. Phone: FRanklin 9-3101. Area representative: Matio Gavini.

**New Orleans**—223 St. Charles Street. Phone: Express 2122. District sales manager: John Ward.

**San Francisco**—323 Geary Street. Phone: EXbrook 7-4372. District sales manager: Manfredi Pio di Savoia.

## AIRPORTS

### SEATTLE-TACOMA

Air freight traffic at Seattle-Tacoma International Airport, in September, reached 2,968,253, which was 13% higher than the total for the same month a year ago. However, the freight volume for the first nine months is down 1,926,793 pounds. Express, with 251,603 pounds handled in September, showed a 5% gain. The nine-month express total is 2,041,595 pounds, better than the comparable period of a year ago by 70,072 pounds.

## INTERLINE

### MIDDLE EAST

Middle East Airlines, BOAC associate carrier, has set up a sea-air interline agreement with American Export Lines. Main route involved is between Italy and Lebanon. MEA operates Rome-Beirut flights; American Export sails from transatlantic to Genoa and Naples.

### TRANSCONTINENTAL

TSA-Transcontinental, Argentine air carrier, has concluded standard IATA interline pacts with Allegheny Airlines, American Airlines, TWA, and United Air Lines.

### UNITED

A single airwaybill may be used on shipments handled by United Air Line and four newly signed-up interline partners: Nordair, Ltd., Saskatchewan Government Airways, and TransAir Limited, all of Canada; and Air Madagascar.



## FORWARDERS

### 2 JET FIRSTS FOR EMERY

Emery Air Freight Corporation had shipments aboard the first transatlantic jet flights from London to New York (BOAC), and from New York to Paris (Pan Am). The New York-headquartered air freight forwarding firm had reserved space on both inaugural flights at a time when the outcome of the jet "race" between the two carriers was in doubt. Emery's shipment aboard the *Comet 4* from London contained automobile parts consigned to a car dealer in Berwyn, Pennsylvania. The cargo placed aboard the Paris-bound Boeing 707 jet included NBC TV film; IBM printed matter; Merrill, Lynch, Pierce, Fenner & Smith financial material; and Pacific Scientific Company technical equipment.

### AIR-SEA HEAD IN ORIENT

Erwin Rautenberg, general manager of the Los Angeles international air freight forwarding firm, Air-Sea Forwarders, Inc., recently returned from a month's trip through the Orient.



Rautenberg  
Traveler

Accompanied by his wife, Rautenberg conferred with his company's agents in various cities of the Far East, inspected freight-handling facilities, and surveyed economic and transportation conditions. His company is expanding its operations in that part of the world.

### MERGER IN CLEVELAND

The air freight department of The A. W. Fenton Co., Inc. has been merged with Airborne Coordinators. Located at Cleveland Hopkins Airport, the new office is known as Airborne Coordinators, Division of The A. W. Fenton Co., Inc. Fenton, headed by Karl Gresham, president, has served the Ohio area as international freight forwarders since 1890.

W. K. Pugsley, manager of the combined operation, said that the firm's expanded facilities permit it to offer improved import and export air freight service to any part of the globe. Airborne Coordinators was founded some 14 years ago.



Pugsley  
Manager

### PAN-MARITIME SETS MARK

More than 25 tons of consolidated freight, originating from virtually every area of the United States, were air-shipped from Miami to Caracas last month by Pan-Maritime Cargo Service. Morton Brautman, president, said that 133 individual shipments swelled the consolidation to a total weight of 50,437 pounds. It is believed to be a new air consolidation record. Five C-46s, spaced two hours apart during the afternoon and evening of November 17, performed the lift. Included in the consolidation were such diversified commodities as printed matter, television receivers, wearing apparel, plas-

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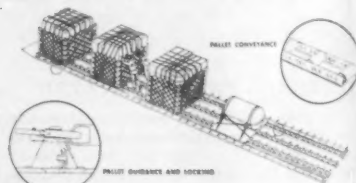
tic windows, costume jewelry, phonograph records, electronic parts, etc.

### HANDLING - PACKING

#### SPEEDY CARGO HANDLING

Douglas Aircraft Company's Long Beach Division is developing, under United States Air Force contract, an improved aircraft cargo-handling system which will unload and reload 90,000 pounds of cargo in the time it would take to refuel a C-133A *Cargomaster*.

Using roller conveyors and pallets, the new system is reported to be capable of offloading and then reloading 45 tons in about half an hour, which is about one-twelfth the time now required for this operation. The 7' x 10' pallets will be made of aluminum with paper honeycomb core developed by Douglas. Roller conveyors similar to those now used in



C-133As will be employed. Side guide rails will permit latching of the pallets in place. It was pointed out that there will be time-saving in the tiedown of the cargo to the pallets before loading.

One contract covers the design and fabrication of a set of track structures, 53 pallets and 33 cargo cages. These will be

installed in a *Cargomaster* and undergo tests. It is in line with a study conducted by Douglas' logistics group in the Long Beach Engineering Department for a standardized system to be used with C-119, C-123, C-130, and C-133A. A second contract provides for a study to adapt the system to aircraft with high cargo floors, such as the C-54, C-97, C-118, C-121, C-124, KC-135, DC-8, and the aircraft of the Civil Reserve Air Fleet.

### CAB

#### REA FORWARDER PETITION

The Civil Aeronautics Board erred in denying Railway Express Agency's application for international air freight forwarder authority, the REA said in a petition for reconsideration, and sought either full authority or at least temporary authority in order to prove itself. REA's supplemental application of March 5, 1956, was turned down by the Board last October 2 (November 1958 AT; Page 105).

The Board's conclusions cited in the denial order "are not supported by the record," REA said. It charged that the Board was sensitive to a "probable adverse impact upon existing air freight forwarders and the potential effect upon air freight transportation arising from control of REA as an international air freight forwarder by the railroad industry." REA further stated:

"There is not a scintilla of evidence in the record to support the argument that existing forwarders would be injured by reason of REA's entry into the field of forwarding. True, the two forwarders who participated in the case, the Air Freight

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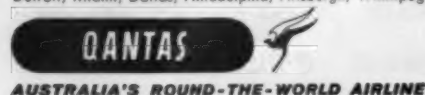
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Forwarders Association and the Bureau of Air Operations contend that this will result. It is also true that they have argued before this Board that forwarders will be driven to the wall if REA is permitted to enter the field as a competitor. But this is not evidence. This is merely the crystal ball gazing of the Bureau. Other parties who seek to perpetuate their preferred status obviously concur."

Arguing that "the basic conclusions of the Board are not supported by the record," REA declared:

"The Board has attempted to predict the future, to decide now what would happen to the freight forwarders and the air freight industry at some future time if REA entered the forwarding field. All of the reliable evidence, the 119 years of express operations in the United States, and the more than 30 years of air express operations by REA, should convince the Board that the services which REA proposes are consistent with the development of an air transportation system properly adapted to the present and future needs of the foreign commerce of the United States. It is in the public interest that REA's application be granted.

"In instances where results cannot be foreseen with certainty, the Board has favored experimentation. With this in mind it authorized the air carriers to publish reduced rates for deferred air freight service for one year. Railroad controlled forwarders were authorized for a period of five years in Docket 5947. Many other proposals have been approved by the Board for relatively short periods in order that they might be tested through actual experience. The Board has said that it

has continuing jurisdiction over the air express operations of REA and will be in a position to take appropriate action if at any time in the future railroad control of REA should lead to conditions which are adverse to the public interest.

"For these reasons, REA suggests that if the Board is unwilling to grant REA the usual forwarder authorization, it grant the authority for a limited period, say five years, at the end of which the Board would take another look and make its final determination based on the record of REA's actual operations. REA would welcome such an opportunity and is confident that it will prove that the fears of the Bureau and other forwarders are ill-founded. Wholly apart from REA's interest in such an experiment is the interest of the shipping public in a service which all are agreed will be of considerable benefit.

"REA prays that the Board reconsider its decision and that if it deems it necessary it order a rehearing or reargument, all to the end that REA be authorized to engage in international air freight forwarding."

## DEFERRED FREIGHT OKAYED

Deferred air freight service, which was started on an experimental basis in 1956 (*June 1956 AT; Page 8*), has received the green light from the Civil Aeronautics Board, with certain modifications. This type of service provides lower rates for air shipments delivered earlier than rail express but later than normal air freight. Four-day coast-to-coast service is guaranteed. The Board ruled:

► Earliest release time is advanced from 12:01 a.m. to 7 p.m.

► Westbound minimum rates are re-

duced from 65% of the applicable minimum regular freight rates in that direction, to the eastbound level of 55% of standard freight rates.

► Combination deferred and regular air freight service is approved. Where combination service is not available, the shipper can forward his cargo to a deferred air freight point by surface transport.

► Consignors and consignees may withdraw shipments from deferred service before the specified release time on condition that there is paid the difference between deferred and standard air freight charges, plus a charge to cover the carrier's cost of making the withdrawal.

## FACTS & FIGURES

### U. S. AIRLINES

**Allegheny:** Cargo lift (freight and express) reached 602,000 pounds in September, exceeding the previous September by 30%.

**American:** The transcontinental airline established domestic air freight records in August, September, and October. AA flew 9,418,000 ton-miles in August, 9,485,000 ton-miles in September, and 9,886,000 ton-miles in October. These representative respective gains of 22.5%, 25%, and 28.4% over the same months a year ago.

**Delta:** Freight shipments during August were 45% above the comparable month in 1957. More than four million pounds were flown, the best month in Delta's freight history. Express shipments for the first eight months of 1958 were 12% over the January-August, 1957, period.

**Flying Tiger:** Spanking revenues were reported for August through October by the all-cargo line. Revenue for August was \$1,150,632, an increase of 42% over the same month a year ago; for September, \$1,126,390, a 56.3% gain; for October, \$1,227,149, an increase of 34%.

**Pacific Northern:** A new high was established for the airline when it hauled 480,190 pounds of cargo on its States-Alaska route in October. It represented a 33% increase over the October, 1957, total.

**Pan-American:** August and September brought eastbound transatlantic records. In August, 567,000 pounds were lifted, and in September 696,806 pounds.

**Seaboard & Western:** The transatlantic air freight carrier flew 1,111,000 ton-miles in August, exceeding last year's comparable month by 42.8% . . . For the quarter ending September, a record 4,275,578 ton-miles was indicated. Best previous quarter was in October-December, 1956, when 3,530,761 ton-miles were flown. Seaboard has racked up 9,441,707 ton-miles in the first nine months of 1958, exceeding by 20.8% last year's total for the same period.

**United:** All-time company records for freight were set in September and October. In September 6,701,000 ton-miles of freight jumped 31% over the same month a year ago, and in October the 7,076,000 freight ton-miles flown represented a 23% gain. September express (997,000 ton-miles) rose 3%, and October express (1,138,000 ton-miles) increased 15%.

### FOREIGN AIRLINES

**BEA:** Further increases over the comparable months of last year are reported by the British airline. In July, with 897,000 freight ton-miles shown, the gain was 12.2%; and in August, with 857,771 freight ton-miles, the gain was 18.8%.

**Lacsa:** The Costa Rican carrier reported a 17% increase in cargo carriage during August as compared with the previous August. The report did not indicate volume or revenue total.

**Scandinavian:** Cargo revenues in the last fiscal year increased 16%. Cargo traffic over the North Atlantic jumped 11%, while transpolar freight traffic went up 25%. In September, eastbound cargo traffic and revenues set an all-time high for the company. Revenues leaped 62% over the same month a year ago, while traffic increased 55%.

## CLUB NEWS

**Automotive Exporters Club:** The discussion part of the November meeting was devoted to *The Common Market* (the new European market) and its consequences for United States business. India was also discussed, in view of the recent approval by the World Bank of a loan to India of \$85 million.

**Illinois Chapter, American Society of Traffic and Transportation, Inc.:** The following have been elected to the Board of Governors: C. A. Bergmann (one year) and T. J. Kessler, H. S. Powell, G. E. Lloyd, J. R. Mann (two years). Officers are: H. S. Powell, vice chairman; J. R. Mann, treasurer.

**Chesapeake Chapter, Delta Nu Alpha Transportation Fraternity, Inc.:** James J. Kelly, guest speaker, spoke on *Theft Prevention in Transportation* at the December 4 meeting. Kelly is special agent in charge of the Federal Bureau of Investigation.

**Traffic Club of Tulsa:** The following officers for 1958-59 were elected at the 40th annual election: Philip E. Bolian, assistant traffic manager of the Service Pipe Line Co., president; Glyde M. Grever, owner of the Grever Trucking Co., vice president; and Steve M. McCommas, manager of Southern Plaza Express, Inc., secretary-treasurer. New directors chosen were: B. B. Bullington, general agent of the Wabash Railroad Co.; J. C. Duncan, district freight service representative of the Missouri-Kansas-Texas Railway Co.; and F. C. Stock, traffic representative of the Skelly Oil Co.

**Womens' Traffic Club of New York, Inc.:** Lt. Col. Joseph J. Kennedy, U. S. Air Force, was guest speaker at the dinner meeting on November 18. He spoke on *Traffic Management in the Department of Defense*.

**Eastern Industrial Traffic League, Inc.:** The following officers have been re-elected: John E. Bellwoar, traffic manager, Paper Manufacturers Co., president; A. F. R. Cooke, traffic manager, Ludlow Mfg. & Sales Co., 1st vice president; H. Menaker, traffic manager, American Home Foods, Inc., 2nd vice president; L. L. Pitt, general traffic manager, McCormick & Company, Inc., treasurer; W. W. Weller, traffic manager-Eastern Division Weyerhaeuser Sales Co., chairman board of directors; F. Ryan, traffic manager, International Latex Corp., secretary; and J. E. Wilson, executive secretary, Washington, D. C.

**Transportation Club of St. Paul:** At the Purchasing Agents' Day luncheon meeting on November 4, G. E. Odlaug, assistant vice president-purchases of the Minnesota Mining & Manufacturing Co., spoke on *The Necessity of Cooperation Between Traffic and Purchasing*.

**Newark Traffic Club:** Sidney Michaels, regional sales manager of Pyramid Motor Freight, was installed as president early

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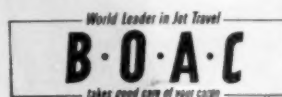
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in November. The following officers were also installed: Fred B. Hurley, general manager of Jersey Coast Freight Lines, 1st vice president; William Burke, traveling freight agent for the Baltimore & Ohio Railroad Company, 2nd vice president; Kenneth Bauer, district freight representative for the B & O, treasurer. Members of the Board of Governors were: Elmer Hooper, traffic manager of Hyatt Bearings Division of General Motors Corp.; William J. Lamberti, district manager, Baltimore Transfer Company; Theodore Wall, Jr., district passenger agent for the Lackawanna Railroad; Wesley M. Anthony, district sales manager, Pennsylvania Railroad at Newark.

**Traffic Club of Brooklyn, Inc.:** The following have been elected as officers for the 1958-59 terms: Melvin Boher, Continental Transportation Lines, Inc., president; Stephen Lavrenchuk, Consolidated Corp., 1st vice president; William A. McGee, Transport Traffic & Sales Corp., 2nd vice president; Raymond A. Peretta, Middle Atlantic Transportation Co., secretary; Bart Bertolotti, Johnson Motor Lines, Inc., and Atlantic States Motor Lines, Inc., assistant secretary; and Richard George, George's Carriers, Inc., treasurer. Elected to the board of governors were: E. L. Emery, chairman of Acme Fast Freight, Inc.; and Joseph C. Bertolotti, W. T. Cowan, Inc.

## CONGRATULATIONS

### UNITED STATES AIRLINES

**American:** H. Don Reynolds elected an assistant vice president, having joined the

airline in August as general traffic manager. He has been associated with aviation for over 15 years in legal, executive and administrative positions. . . Florian J. Stevens appointed to the newly-created post of director, cargo sales service. He has been with American since 1937, and since 1948 has specialized in cargo sales. . . William S. Johnston and R. R. Huber appointed respectively to fill the two new positions of manager-cargo marketing analysis, and market promotion specialist.



**Stevens**  
American



**Reynolds**  
American

**United:** Ellsworth Perry named Southwestern District sales manager with headquarters in Dallas. He joined the airline in 1940. He succeeds F. C. Flynn, who has been appointed district sales manager at Akron-Canton, Ohio. . . The following four field sales personnel appointed to the headquarters sales staff in Chicago: D. DiSano and W. H. O'Donnell became area staff superintendents-sales promotion; F. E. Conway and H. E. McKillop named as area staff superintendents-cargo sales.



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**Continental:** Harding L. Lawrence elevated to the post of executive vice president. He has been prominently associated with aviation and air transportation since 1940. He succeeds Clarence C. West, Jr., recently retired after service of almost 20 years with the company.



Lawrence  
Continental



Karlstein  
Northeast

**Northeast:** Robert S. Karlstein placed in charge of air cargo and military sales for the New York District, which comprises all of New York State and most of New Jersey and Connecticut. . . Miles H. O'Brien joins as a sales representative in charge of commercial accounts in the New York District. He has spent seven years with TWA during which time he served as president of the Airline Traffic Association.

**Delta:** The following executives have been added to key posts: Thomas M. Miller becomes vice president-traffic and sales administration; Charles P. Knecht named assistant vice president-sales; Paul W. Pate becomes assistant vice president-properties; C. Wilder elected assistant vice president-operations-technical; Robert W. Oppenlander elected a company officer.



Miller



Knecht

Promoted by Delta

### FOREIGN AIRLINES

**Alitalia:** Manfredi Pio di Savoia appointed district sales manager for San Francisco. His airline experience began in

1949 when he joined TWA in Rome. Later he joined Alitalia in Italy, and came to the United States in 1957 as assistant to the United States general manager.

**BOAC:** Leslie G. S. Hyland takes the post of sales manager-Western routes, having been transferred from British West Indian Airways. . . John Dodd named manager at Chicago. Coming from Montego Bay, Jamaica, where he was station manager, he succeeds R. W. I. Geldard, who becomes manager at San Francisco. Geldard was manager at Montreal before taking over at Chicago last March. H. J. (Ray) Bingham, having been manager at San Francisco, now takes the position of Middle East manager, with headquarters in Beirut

**Icelandair:** S. Matthiasson named secretary, having been traffic manager since 1946. B. Thorhallsson, previously manager in Denmark, succeeds him.

**Irish:** Captain John C. Kelly-Rogers' responsibilities as deputy general manager have been widened to include administrative work. . . Captain William J. Scott takes the new post of assistant general manager (technical). . . James Gorman is advanced in the general management field as assistant general manager, while continuing as secretary. . . Patrick J. Brennan added to assistant general manager (commercial). . . Michael J. Dargan appointed assistant general manager (administration). . . James Moran becomes financial controller.

**LAV:** Enrique Chavez named first vice president. He is also a member of the board of directors. He joined LAV in 1953 after nine years of administrative experi-



di Savoia  
Alitalia



Fulmer  
Japan



Garling  
TSA

**TSA-Transcontinental:** Lee L. Garling appointed district manager of the new sales office in Washington, D. C. He will also act as sales representative for REAL - Brazilian International Airlines, which is joined with TSA in a traffic pool agreement. Garling was formerly associated with Air France.

### FORWARDERS & AGENTS

Right  
Beck

Lower Left  
Prendergast

Lower Right  
Hansen



**Air Express International:** Alvin B. Beck, executive vice president, voted a member of the board of directors. Stockholders reconfirmed the election on the same day. Beck, a wartime pilot, has been in air transportation since 1939. He has been with AEI for nine years.

**REA:** James P. Prendergast named European manager with headquarters at Frankfurt, Germany. He started with REA in Chicago in 1926, and since 1953 has been assistant general traffic manager in New York. . . William M. Hansen takes the newly created post of Far Eastern manager with headquarters at Hong Kong. Before joining the express agency in 1957, he was associated with Northwest Orient Airlines in Hong Kong and Japan, and with TWA in Europe.



Chavez  
LAV



Betancourt  
LAV



## INDUSTRIAL TRAFFIC

**IBM World Trade Corp.:** James McGuire, formerly manager of traffic and transportation at Endicott, New York, promoted to traffic manager for the entire IBM World Trade Corp. His new headquarters are in New York City.

**Gulf State Utilities Co.:** John A. Boosey heads the new traffic department as traffic supervisor.

**National Gypsum Co.:** The following promotions have been made: William T. Davidson—director of transportation; Harry B. Polson—general traffic manager; Donald M. Akers—general rate manager.

**Firestone Tire & Rubber Co.:** W. N. Inman succeeds the retired C. A. Moore as traffic manager.

**Chemstrand Corp.:** Asher Lane, Jr. becomes general traffic manager. . . Gregory Maranes elevated to the newly-created position of manager of international traffic. . . Asher Lane, Jr. assumes administration of traffic for the corporation.

**Ohio Oil Co.:** R. E. A. Rectorshek, new supervisor of the traffic department, succeeding Eugene W. Evans who recently retired as manager of the department.

**General Portland Cement Co.:** Elmer H. Olson named assistant traffic manager at Chicago. . . George B. Peck becomes traffic manager of the Signal Mountain division at Chattanooga, Tenn.

**Algoma Steel Corp., Ltd.:** John S. Hafner appointed general traffic manager.

**General Cable Corp.:** David Ross named assistant vice president-general traffic manager.

**KVP Co.:** Melvin Lievense named as general traffic manager.

**Jones & Laughlin Steel Corp.:** James E. Brennan promoted to traffic supervisor at the Cleveland Works.

## MATERIALS HANDLING

**Baker Industrial Trucks:** Robert J. Laws named as general sales manager.

**Lewis-Shepard:** Fred E. Huss appointed as exclusive sales and service representative in Northwestern Ohio.

## AIRCRAFT MANUFACTURERS

**Convair:** David Downey appointed assistant manager of domestic commercial sales. He comes from Douglas, with which he was associated for nearly 17 years.

## INSURANCE

**Talbot, Baird & Co.:** Charles Barnard joins the underwriting staff. Principally, he will be interested in cargo writing.

## ORGANIZATIONS

**International Civil Aviation Organization:** William G. Algar of Ireland, Colonel A. E. Chagas of Brazil and Henry Soderberg of Sweden elected vice presidents for the coming year. A. X. Pirson of Belgium reelected chairman of the Air Transport Committee.

**Pressure Sensitive Tape Council:** C. Gregg, general sales manager, Johns-Manville Dutch Brand Division reelected president. Howard G. Seaman, president, Norton Pike Company and manager, Tape Product Sales, Behr-Manning Company,



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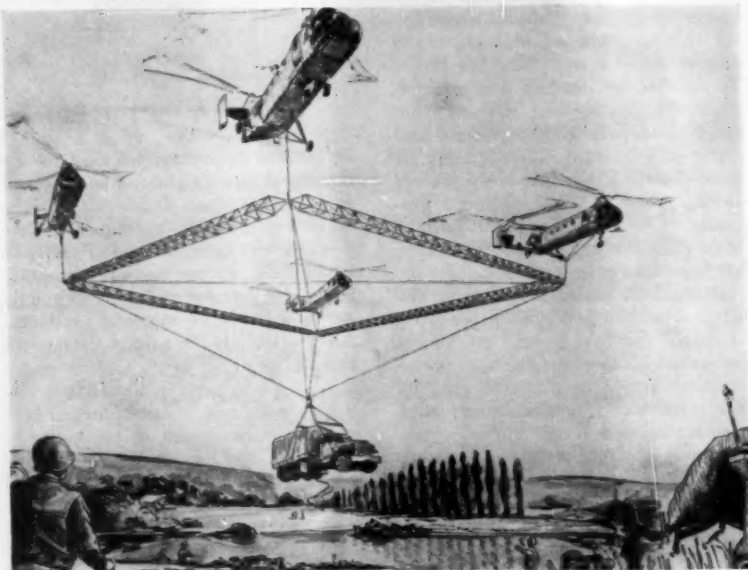
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## WORK HORSE WHIRLYBIRDS IN MULTI-LIFT



The artist shows how a team of four Vertol H-21 Work Horse helicopters can lift and transport a 5,000-pound capacity truck weighing approximately 13,000 pounds. The United States Army has awarded the Vertol Aircraft Corporation a contract to develop what the manufacturers call the Multi-Lift Helicopter Heavy Lift System. Helicopters can be harnessed in teams of from two to six units, depending on nature of lift requirement. Basic equipment is an aluminum alloy spreader frame to which helicopters are attached by cables. Ends of frames can be fastened together. Sling cables extend from the frame to the airlifted load. An electrical release system enables any of the aircraft to uncouple all members of the team in an emergency, as well as for normal detachment. Studies have disclosed that the payload of each helicopter is relatively constant, regardless of the number of helicopters used in any hitch. System reportedly is more elastic than crane-copters.

reelected vice president. Gordon Engdahl of the Minnesota Mining & Manufacturing Company elected chairman of the Technical and Specifications Committee, and

Bruce Riggs, traffic manager, Behr-Manning Company, elected chairman of Traffic Committee. Richard C. Breeden, Jr. reelected as secretary-manager.

*The Air Materiel Command has done much, through improved packaging for airshipment, to reduce the span of time between the need of a commodity and its ultimate delivery in safe condition. The author's description of the military's progress in this still little-appreciated field serves as an excellent guide to commercial air shippers.*

# Towards Practical Airpackaging

By COLONEL A. J. MASON

*Chief, Packaging and Materials Handling Division, Directorate of Transportation, United States Air Force*

**I**NCREASED use of the airplane as a cargo carrier has made minimum tare weight a matter of strategic importance. It is also providing the answer to the urgent necessity to reduce time lag between need and have. Within the limits of available equipment we are steadily trying to increase our airlift capabilities which can cut transport time of high-value and critical materiel from days to hours. To this end we conduct continual research for lighter and stronger containers and packaging materials and better utilization of known materials to develop the lightest weight container possible, consistent with adequate protection. The use of heavier materials, which dissipates our airlift capabilities, has been drastically curtailed.

During 1956 the Air Force alone airlifted more than 600 million ton-miles of cargo. Now, knowing that almost one pound of tare weight was moved for every pound of material, imagine how much more material would have been transported if the almost equivalent weight of packaging and crating material had been left behind! This, then, was the key to our development of packaging for airshipment.

We are not, however, working alone on this problem. There is a Department



Col. Mason

of Defense Committee working for reduction of tare weight and cube for all modes of carriage. Industrial associations and societies greatly assist us through Preservation and Packaging Committees. Packaging and container material manufacturers are continually developing new or improved products.

Let's take a quick look at the current material used in box construction in the Air Force today and we'll see why lighter weight is stressed for airshipments. Ninety percent of the boxes or containers used by the Air Force today are of a capacity of 15 cubic feet and under. For comparison, a box of this size constructed of nominal one-inch lumber would weigh approximately 92 pounds and carry up to 600 pounds of

material. By using 9/16 inch resawed lumber our box would weigh 68 pounds, but would be limited to 250 pounds of material.

Plywood is considerably lighter as a material by itself than either of the preceding examples, yet a box of similar size from this material would weigh approximately 62 pounds due to cleating and framework required and would carry up to 525 pounds of content.

Now let's go to other than wood materials. First is corrugated and solid fiberboard. The reader is generally familiar with this material and sees it used in many every day applications for containers and other uses. Our container made from this material would weigh approximately 12 pounds and be limited to 90 pounds of material. To increase the capacity, we move into triple-wall fiberboard. This is light in weight and amazingly strong. A 15 cubic feet capacity container constructed of this material would weigh in the neighborhood of 16 pounds and can contain loads up to 350 pounds.

Now, by comparing the weight and load features of a container made from the various materials we can see why the Air Force initiated a strong program to lighten all boxes and containers being shipped by air—why we emphasized reduction of tare from 92 pounds to 12!

Improvements in packaging for airshipment are not limited to the development of new materials. These can be accomplished by the development of better use of available materials and in the design of better packaging, using the proper material by itself and in combinations with others. Good container design is the getting the most from the material selected for use. The

*(Continued on Page 21)*

**"During 1956 the Air Force airlifted more than 600 million ton-miles of cargo. Now, knowing that almost one pound of tare weight was moved for every pound of material, imagine how much more material would have been transported if the almost equivalent weight of packaging and crating material had been left behind! This, then was the key to our development of packaging for airshipment."**

*Only a few weeks ago, at the Fourteenth Annual General Meeting of IATA in the Vigyan Bhavan, New Delhi, India, a fair share of the 1958 report was devoted to air cargo. If you are wondering where the international airlines are going insofar as airshipping is concerned, read this eye-opener straight from the director general's report.*

## "We Must Forge The Key"



By SIR WILLIAM P. HILDRED

*Director General, International Air Transport Association*



**I**N discussing the larger capacities of our new fleets, we must not overlook the fact that human beings are not the only freight we carry. There is also mail, over which we have little or no control, and there is cargo, about which we can do a great deal more than we have done.

• Air cargo received a tremendous impetus from the Second World War, which for the first time taught us the real logistic potentials of the aircraft. Since then, it has grown immensely; indeed, for a time cargo traffic expanded more rapidly than passenger traffic, and spread itself into scheduled all-cargo operations on many routes. But it has lost momentum, the rate of growth is down; and if we are to expand cargo traffic to the optimum level, we shall have to administer some strong vitamins.

Our present air cargo service is not something mysterious and intangible. It exists today. We are moving many commodities. Our cargo rates are attractive and have been progressively reduced. Air cargo service has made substantial reductions in the net costs of moving many commodities from point to point because time of transit is less, pilferage is less, breakage is less, insurance premiums are less, packing and crating costs are less, handling charges are less. Air cargo has already had a beneficial impact on the distribution patterns of many commodities,

reducing warehousing costs and minimizing inventories. In other words, we have a first-rate service to sell: but we are not selling as much of it as we should.

Both the attractiveness of air cargo and the need to sell more of it are going to increase substantially in the next few years. The service will take on new dimensions with the speed of jet flight. Flying times between major terminals will be cut in half: for example, a half-ton shipment can be loaded in Frankfurt at the start of a

working day and be delivered in New York that afternoon, or moved overnight so that there is not the loss of a single hour of the normal processing day.

The introduction of commercial jets will not only mean a great increase in available cargo capacity on passenger aircraft. A substantial number of the present piston-engined fleet will very likely be turned over to all-cargo operations. Today, despite the use of many all-cargo planes, the bulk of traffic still

*(Continued on Page 23)*

### *The Author Says...*

"If we are to expand cargo traffic to the optimum level, we shall have to administer some strong vitamins."

\* \* \*

"We have a first rate service to sell, but we are not selling as much of it as we should."

\* \* \*

"The service will take on new dimensions with the speed of jet flight. . . . A half-ton shipment can be loaded in Frankfurt at the start of a working day and be delivered in New York that afternoon, or moved overnight so that there is not the loss of a single hour of the normal processing day."

\* \* \*

"I do not expect that in 10 years we shall be carrying regular cargoes of cement, ore, wheat or locomotives, but we should be carrying everything else."

# INTERNATIONAL AIR FREIGHT FORWARDER INVESTIGATION

(Docket 7132)

IN 1949, the Board adopted Part 297 of the Economic Regulations which authorized international air freight forwarders to engage in indirect foreign and overseas air transportation of property for a five-year experimental period. (*June 1949 AT; page 27.*)<sup>1</sup> We instituted the present proceeding in 1955 to consider the renewal of the forwarders' operating authority and to formulate our future policy as to their regulation. (*June 1955 AT; page 6.*)<sup>2</sup> After due notice, a public hearing was held before Examiner Paul N. Pfeiffer, who thereafter issued his Initial Decision. (*June 1957 AT; page 6.*)

In brief, the examiner has found as follows: (a) the operating authority of all international air freight forwarders should be renewed for an indefinite period; (b) no need exists for imposition of a fitness test, showing of public need, or restriction of service to specific areas, points or commodities as conditions on grant of new forwarder authorizations; (c) forwarders should be permitted to negotiate and required to file their agreements with other foreign or U. S. indirect air carriers relating to traffic and earnings; (d) forwarders should be permitted to charter aircraft from certificated air carriers, foreign air carriers and supplemental air carriers, and to utilize supplemental air carriers on an individual shipment basis subject to certain restrictions; (e) forwarder-direct air carrier compensation agreements should be authorized subject to Section 412 approval and certain other conditions; (f) joint-loading should be permitted without the necessity of filing special agreements with the Board; (g) forwarders should be permitted to act as agents of direct air carriers and to receive sales commissions; (h) forwarder personnel are

eligible for free and reduced-rate air transportation; and (i) the industry title should not be changed from "international air freight forwarder" to "air cargo consolidator."<sup>3</sup>

Exceptions to the initial decision and briefs to the Board have been filed. The Board has heard oral argument and the case stands submitted for decision.

Upon consideration of the record and the contentions of the parties advanced on brief and in oral argument, we find that we are in general agreement with the examiner's conclusions. We differ with the examiner, however, with respect to authorizing forwarder-direct air carrier "compensation agreements," the grant of free and reduced-rate air transportation to forwarder personnel, and with respect to certain details of the examiner's other findings and conclusions. We also believe the industry title should be changed to "air cargo consolidator," a title which will more accurately describe the forwarders' activities. Accordingly, except as modified

<sup>1</sup>The examiner also found that: (a) no need exists for the establishment of a special class of international shippers' associations; (b) no need exists for further investigation of the exercise of jurisdiction by the Board over foreign air freight forwarders; (c) forwarders should be relieved from tariff filing and compliance requirements of inbound-U. S. shipments; (d) an investigation of the lawfulness of agreements whereby forwarders act as principals to direct air carrier agents should be instituted; (e) the request of Pacific Air Freight for regulation as a domestic air freight forwarder should be denied; (f) no action should be taken with respect to Seaboard & Western Airlines' request for equalization of forwarder and direct air carrier rates in the highest weight bracket, since the matter was not fully litigated in this case; (g) cargo and liability-property insurance requirements should be increased to \$10,000 and \$5,000 minimum coverage respectively; and (h) reporting requirements should be revised to require semi-annual reports showing, *inter alia*, a breakdown between international and domestic forwarding revenue and between forwarding and other revenue, an estimated allocation of forwarding expense and the volume of consolidation by type of airline and geographical area of origin and destination.

herein, we adopt as our own the findings and conclusions in the examiner's initial decision . . .

We turn first to the matter of forwarder-direct air carrier compensation agreements. As in the Domestic Forwarder Case,<sup>4</sup> many of the international forwarders press for Board approval of some means of affording forwarders the benefit of transportation charges which are lower than those the direct air carriers charge other users of their services. In the Domestic Forwarder Case, we considered the legality of forwarder-direct air carrier "compensation agreements" filed under section 412 and of preferential "divisions" of section 404(a) joint rates as means of achieving this end. We there concluded that preferential rates could be established only "by means of tariff filings pursuant to section 403(a)" of the Act, and that forwarders could not enter into joint rates with underlying direct carriers.<sup>5</sup> We also pointed out in that case that we would consider the lawfulness of any preferential<sup>6</sup> tariff rates filed with the Board under the usual statutory standards on the basis of facts pertinent to the specific rates filed, and that since such rates would be subject to suspension, we need not prohibit the filing of preferential tariff rates in advance. (*April 1957 AT; page 6.*)

In the present case, the examiner took account of our decision in the  
(Continued on Page 24)

<sup>4</sup>*Air Freight Forwarder Investigation*, Docket No. 5947.

<sup>5</sup>Second Supplemental Opinion and Order No. E-11137, decided March 18, 1957; affirmed by the U. S. Court of Appeals for the District of Columbia, *Airborne Freight Corporation v. CAB*, No. 13882, decided June 12, 1958.

<sup>6</sup>It must be kept in mind that in the present context, the word "preferential" is used in a nontechnical sense and refers to charging forwarders lower rates than other users of direct air carrier services are charged for similar services. Under the Act, only *usduly* preferential, etc., rates are unlawful.

<sup>1</sup>*Air Freight Forwarder Case (International)*, 11 CAB 182 (1949).

<sup>2</sup>Order No. E-9179, May 3, 1955.



*A rodent with a fur adored by all women  
unexpectedly finds a new home*

# CHINCHILLAS AT SHANNON

**I**F word has come your way that chinchillas are inhabiting the Old Sod, be careful not to treat it as just another idle rumor or leprechaun fantasy.

It's true. And all because of an airport—Shannon Free Airport, to be more explicit.

A short while ago, the Irish Government took a long step towards hooking the future of its Air Age-economy to freight by activating Shannon Airport as a "warehouse" for foreign industry.

New legislation set up the airport—it had been established as a customs-free zone 11 years before—as a "tax-free haven" to which businessmen of other countries could bring their goods for storage, manufacture, processing, packaging, etc., with "minimum formality."

Which brings Edward Casey, of Manchester, England, into the picture. Casey, a vigorous businessman with an eye cocked towards the future, is the managing director of five chinchilla farms in Britain.

The lure of Shannon's strategic location and its tax-free, duty-free, land, and construction-aid advantages, has proved powerful enough to cause Casey to bring into being a new Irish industry known as Chinchilla (Shannon) Ltd.

It is Casey's considered opinion that the airport is ideal as a reception point for the chinchilla breeding stock which he receives from the United States. These fur-bearing rodents are flown all the way from California. The chinchilla man's aim is to have Shannon replace Britain as a distribution point for the European market.

In addition, the Englishman has set out to introduce the chinchilla to Ireland itself—to prospective growers, that is. In advertisements and promotional pieces, Casey is saying:

"These attractive animals can be raised in any room in your own home, or in your garage. They do not smell, are not in any way vicious, and make no noise.



Chinchilla on Edward Casey's arm eyes \$10,000 chinchilla cape worn by model.

"Looking after a pair of chinchillas will take no more than a few minutes of your time each day, and an average pair can be reared for as little as 6d. (7¢) per week."

Additional enticements are that each pair of animals Chinchilla (Shannon) Ltd. sells to Irish breeders will live at least a year from the date of purchase; that they are of prolific stock ("Each adult pair sold carries an iron-clad littering warranty if they do not already have babies nursing at the side"); a baby-exchange system to enable the breeder to carry on breeding with his first litter.

Further, the new firm at the airport is planning to import from the United States expert furriers who will train an all-Irish staff in the art of priming, pelting and grading of chinchilla, and the manufacture of fur garments. This ties in with Casey's effort to use Shannon also as a receiving point for chinchilla pelts for processing.

Chinchilla, of course, is generally recognized as the most expensive fur in the world. How so? Consider this: a young pair of six-month-old Irish-bred chinchillas is worth about \$280; a breeding pair, 16 months old, \$560.

And an average-size coat requires approximately 200 skins!

According to information given to *Air Transportation*, the chinchilla fur market has been fairly stable since the war. There has been no depreciation in value. If anything, the price has tended to move upward.

Airfreighted live, the transatlantic rate for chinchillas is \$1.10 per pound (100 pounds minimum). Pelts or finished garments move at 79¢ per pound (100 pounds minimum). Rates for lower weights are higher.

Chinchilla importers and exporters have learned to rely on air cargo. Not only does the high value of each animal readily absorb the air-shipping rate, but the mortality rate when moved by sea is substantially higher. Long journeys tend to have a deleterious effect on the chinchilla.

The chinchilla is said to be extremely easy to rear. It will grow to full size in about 10 months. Its food consists of cereal, maize, and clover hay as well as water. It sleeps by day and feeds by night, and the tiny noise it utters is more nearly a hiss than a squeak. ● ● ●

**LIGHT FREIGHT**  
**HEAVY FREIGHT**  
**SMALL FREIGHT**  
**BULKY FREIGHT**

*They all add up to . . .*

## Commerce in the Skies



Mrs. Rita Dorfner, women's fashions buyer for Sears Roebuck de Venezuela, S. A., turns over a package of sample dresses to Anthony Prego, LAV station manager at New York. Mrs. Dorfner's purchases followed in volume for the firm's 4 stores in Venezuela.

Included in TWA's inaugural Super-Constellation all-cargo flight to Shannon, Paris, and Rome, was a 5,500-pound shipment of polio vaccine, flown from Indianapolis to the Italian capital city. The fast airfreighter hauled approximately 30,000 pounds of cargo.



Seaboard & Western Airlines, transatlantic all-cargo carrier, is shown taking aboard the first shipment of Rolls-Royce Conway engines for the Boeing 707-420 jets ordered by British Overseas Airways Corporation. Engines, including accessories, weighed 10,000 pounds each. S&W airlifted two per plane, plus 2½ tons cargo.

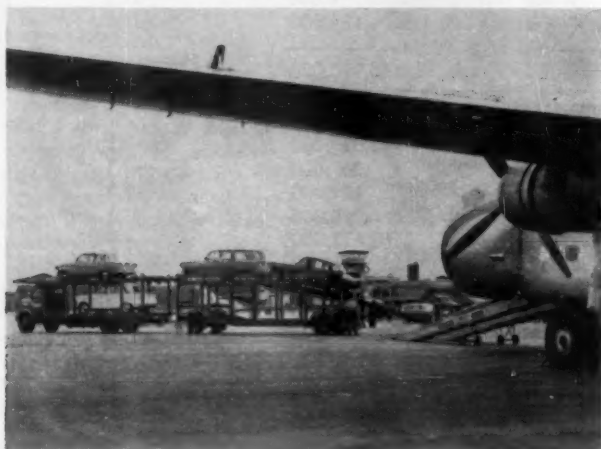
When Swissair introduced its new transatlantic DC-6A all-cargo service, the first flight out of New York International Airport carried exactly 23,396 pounds of freight—a 100% load factor. Consignments were destined to various points in Europe, Asia, and Africa. Swissair service links New York and Zurich.





The recent coronation of His Holiness Pope John XXIII was viewed on television in the United States that very day. Newsfilm was flown from Rome to London, then transferred to New York-bound BOAC Comet 4 jet. Here Frank Fitzpatrick of CBS-News accepts film from Jack Murphy, BOAC's import cargo officer at destination.

Delta Air Lines now permits shippers to accompany their goods aboard its cargoplanes. Frank Taylor, of Southampton, Pa., one of the country's major rose growers, is shown taking advantage of new provision. Fare is double regular air freight rate, based on his weight.



Cross-Channel service has brought these automobiles by air from Lydd Airport on England's south coast, to Le Touquet Airport on France's north coast. Bristol Superfreighters are operated here the year round.



The first piece of cargo unloaded in Paris from Pan American World Airways' inaugural Boeing 707 jet flight was a gift of American straight bourbon for Premier Charles de Gaulle from the Bourbon Institute. Pan Am stewardess carries token package across tarmac, under the protective presence of gendarmes.

Consigned to Durkee-Atwood Company, Minneapolis, this 8,000-pound electric converter is shown being unloaded from the forward cargo door of a Northwest Orient Airlines DC-6B. Air delivery saved firm \$300,000 and kept 260 employees at work. Left to right: T. L. Harrison, Kenneth Van Auken, and Carl Walz, all of Durkee-Atwood firm.



# AIR CARGO: FIRST HALF

Statistics covering freight and express flown by the scheduled combination, all-cargo and helicopter airlines of the United States during the comparative first halves of 1957 and 1958.

## REVENUE TON-MILES OF FREIGHT CARRIED

	2nd Quarter 1957	2nd Quarter 1958	Percent of Change
Domestic Trunklines	58,389,000	55,951,000	-4.2
Local Service Airlines	567,000	506,000	-10.8
Territorial Airlines	373,000	421,000	+12.9
Helicopter Airlines	5,000	3,000	-40.0
International & Overseas Airlines	28,551,000 <sup>2</sup>	29,915,000 <sup>2</sup>	+4.8
Alaskan Airlines	2,043,000 <sup>2</sup>	1,677,000 <sup>2</sup>	-17.9
All-Cargo Airlines	39,050,000	26,869,000	-31.2
<b>Consolidated Industry</b>	<b>128,978,000<sup>3</sup></b>	<b>115,342,000<sup>3</sup></b>	<b>-10.6</b>

## REVENUE TON-MILES OF EXPRESS CARRIED

Domestic Trunklines	8,009,000	10,385,000	-29.7
Local Service Airlines	346,000	407,000	+17.6
Helicopter Airlines	7,000	9,000	+28.6
All-Cargo Airlines	277,000	189,000	-31.8
<b>Consolidated Industry</b>	<b>8,639,000</b>	<b>10,990,000</b>	<b>+27.2</b>

## OPERATING REVENUES—FREIGHT

Domestic Trunklines	\$13,101,000	\$13,425,000	+2.5
Local Service Airlines	281,000	261,000	-7.1
Territorial Airlines	188,000	199,000	+5.9
Helicopter Airlines	9,000	8,000	-11.1
International & Overseas Airlines <sup>2</sup>	9,987,000 <sup>2</sup>	10,453,000 <sup>2</sup>	+4.7
Alaskan Airlines	737,000 <sup>2</sup>	641,000 <sup>2</sup>	-13.0
All-Cargo Airlines	7,206,000	5,210,000	-27.7
<b>Consolidated Industry</b>	<b>\$31,509,000<sup>3</sup></b>	<b>\$30,197,000<sup>3</sup></b>	<b>-4.2</b>

## OPERATING REVENUES—EXPRESS

Domestic Trunklines	\$2,879,000	\$3,622,000	+25.8
Local Service Airlines	152,000	164,000	+7.9
Helicopter Airlines	21,000	18,000	-14.3
All-Cargo Airlines	102,000	49,000	-52.0
<b>Combined Industry</b>	<b>\$3,154,000<sup>4</sup></b>	<b>\$3,853,000<sup>4</sup></b>	<b>+22.2</b>

<sup>1</sup> Preliminary report.

<sup>2</sup> Express and freight combined.

<sup>3</sup> Includes express carried by International and Alaskan carriers.

<sup>4</sup> Does not include express carried by International and Alaskan carriers.

<sup>5</sup> Figures for Trans-Caribbean not included.

### DOMESTIC TRUNKLINES

American • Braniff  
Capital • Continental  
Delta • Eastern  
National • Northeast  
Northwest • TWA  
United • Western

### LOCAL SERVICE AIRLINES

Allegheny • Bonanza  
Central • Frontier  
Lake Central • Mohawk  
North Central • Ozark  
Pacific • Piedmont  
Southern • Trans-Texas  
West Coast

### TERRITORIAL AIRLINES

Hawaiian  
Trans-Pacific

### HELICOPTER AIRLINES

Helicopter  
Los Angeles  
New York

### ALL-CARGO AIRLINES

AAXICO • ASA  
Flying Tiger • Riddle  
Seaboard & Western • Slick\*

### INTERNATIONAL & OVERSEAS AIRLINES

American • Braniff  
Caribbean/Atlantic • Delta  
Eastern • National  
Northwest • Pan American  
Panagra • TWA  
Trans-Caribbean • United

### ALASKAN AIRLINES

Alaska • Alaska Coastal  
Cordova • Ellis  
Northern Consolidated  
Pacific Northern • Reeve Aleutian  
Wien Alaska

\*Slick Airways no longer operative as a common carrier.



## AIRPACKAGING

(Continued from Page 14)

selection of the lightest and cheapest material, consistent with the desired container performance, was our goal in the development of good and improved practices in packaging for air shipment. Many things can be done with basic materials to make them more suitable for container use. For example, they can be treated with various preservatives to make them waterproof. This, then, increases their adaptability to a greater range of uses. They can all be shaped, cut, folded, or formed with relative ease in designing and manufacturing specialized containers.

### Special Program

We are now actively effecting air-packaging improvement in our Reduction of Tare Weight and Cube Program. The program was initiated for the primary purpose of reducing to the barest minimum tare weight and cube, and to accomplish the maximum consolidation of material scheduled for airlift. Several categories of items have been exempted including dangerous materials, items of especially delicate or fragile nature and instruments as a class. This concept, as such, officially came into being early in 1957.

However, at this point, it may be well if we look at the background. *Why was an emphasized program of this nature necessary?* There was an acute awareness that our airlift capability was being dissipated by excessive tare weight, and we took a closer look at what had been our standard packaging procedures. Radical changes in supply operational procedures requiring speed of movement of supplies, shorter pipeline time, reduced inventories and an increased emphasis on air transportation was a warning signal that an overhaul of our packaging operations and policies was imperative. We found that

many of the items no longer had to have the protection against the hazards of extended depot storage and unknown locations of the consumers. Within the limits of available equipment we had to increase airlift capability to cut transport time of critical material from days to hours. This meant our present methods must be reevaluated. However, the immediate situation required that the maximum utilization of our limited airlift capability be realized. Minimum tare weight became a matter of strategic importance! Therefore the *Strip Ts* concept was conceived.

At the conclusion of a test period, the increased airlift realized, with a minimum of damage, it was indicated we were definitely on the right track. The success of this concept has been proven. Our estimates of savings in labor, materials and transportation costs plus added airlift potential to be gained were low. This concept has demonstrated we can omit individual exterior containers and practice consolidation to the maximum without interfering with priority time limits and, at the same time, realize considerably more air cargo space.

The policy for stripping items of protective packaging is provided in Air Force Regulation 71-12. Through this program we package for airshipment.

### Strip-Down

In conjunction with the reduction of tare weight and cube program our efforts were directed to a "strip-down" program. There was an overwhelming need to assist our depots in attaining ideal air packages, particularly when such shipments must make the first leg of their trip by surface transportation. As a means of accomplishing this, we established activities at our aerial ports to strip the overpacking from containers thus assuring maximum utilization of available airlift capabilities.

First tried at the Travis aerial port, then expanded to include all such

ports—Charleston, Dover, McChord, McGuire and Travis—this program is providing the mechanics for reducing tare weight and cube of items arriving at the aerial ports for pick up by the Military Air Transport Service for shipment overseas. Surprising to some is the fact that we do, on occasion, use these activities to *add* protection to some packages to assure safe arrival at its destination.

### Better Handling Needed

The reduced protection of items offered for airshipment has proven adequate when properly handled. However, a distressing fact is brought to our attention constantly—better handling in transit is a must for all modes of transportation and all levels of packaging. We have discovered that throughout the Air Force we are moving costly items every day with unskilled personnel. We made a staff study in this area—*Ways and Means of Improving the Status and Structure of Personnel in the Transportation, Packaging and Materials Handling Fields*. We are actively pursuing courses of action which will result in improved structure of operational elements, raise status of concerned personnel to a level commensurate with their job responsibilities and provide necessary orientation and training required to capably handle the complex and costly Air Force inventory.

To bring the reduction of tare weight and cube program closer to the source of our supply inventory—the manufacturer—we at the Air Materiel Command conceived a three-phase program involving the plant level development and approval of packaging data, mechanization of a standard packaging data card, and a standard cost practice to assure packaging costs which are fair and equitable. A service test or trial run on plant level approval has proven extremely successful, and we are anticipating implementing the features of this phase into the Air Force system

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when you ship cargo

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South America's only overnight for up-and-doing sales executives who know that *time* can make a big difference in terms of profit and loss. These are some of the companies which ship their products via Panagra—on all-cargo flights and on Panagra's daily DC-7 and DC-6B passenger flights:

A.M.I., Inc.  
American Optical Co.  
The Anaconda Company  
Andes Copper Mining Co.  
Bell & Howell Co.  
Bucyrus Erie Co.

Continental Motors Corp.  
Cummins Diesel  
Export Corp.  
Eastman Kodak Co.  
Foley Brothers, Inc.  
Hupp International Corp.

Hycon Mfg. Co.  
International General  
Electric  
Joy Manufacturing Co.  
The M. W. Kellogg Co.  
Kennecott Copper Corp.

No change of plane from New York to 7 countries in South America... over the routes of National, Pan Am and Panagra. Call your cargo agent or Pan American, Sales Agent for Panagra.

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KEEser 71-1466

as a standing operating procedure.

By having a good, qualified Air Force packaging specialist available — one who knows Air Force needs and industry's capabilities—a harvest of mutual benefits will be reaped. These benefits will include the development of packages for special study items, use of lighter weight containers and materials, the elimination of work duplication, in addition to immediate answers and approval of proposed packaging requirements submitted by the contractor. This technician will be placed at contractors' plants and Air Procurement Districts, and we feel he will embody an advantage we all appreciate—more amiable coordination and cooperation between the Air Force and its contractors which will assuredly result from the more personal contact.

The use of mechanized packaging data cards in the Air Force system will eliminate the majority of the forms required at present, make obsolete the present methods which involve manual preparation of these cards and sending them on their way through the long, long coordination channels. The cost standard is our attempt to determine just what the Air Force is paying for packaging. In the past a flat percentage of the total cost of the item was used; however, it is our aim to determine, through the use of the Cost

Standard, if the packaging costs of a contract are within reasonable limits.

Still another area where progress has been made is in our DD Form 6 Program. To those unfamiliar with this form, it is a report of improper or damaged shipments received. The information reported on these forms is aiding our packaging personnel to improve greatly Air Force packaging. The report is one of the best management tools available today. Through careful study and evaluation of the DD Form 6 report we can determine when trends in packaging are being formed and take corrective action before they become problem areas. These forms are not to be used only when damage occurs but when improper or overpackaging are apparent. This use places the form among the top tools used to stop damage before it occurs, for to be forewarned is to be forearmed.

The one drawback in any intensified program of this nature is the "old timer" who looks upon a report of this type as a "gig" instead of a media for improvement. He is the one we must reeducate—and we are accomplishing this successfully.

## Damage and Loss

Through this DD Form 6 Program another area was brought to our attention where aggressive action was needed to assure Air Force progress. The area was that of damage and loss of retrograde material due to improper packaging and handling. We are stressing the importance of proper protective measures to be used in the handling of retrograde material, for they are definite assets to the Government and should be treated as such. It is the responsibility of all personnel handling or storing reparable and TOC property to do so in such a manner as to prevent further damage.

Progress has been achieved in yet another area—in our transporting of aircraft engines by air through the use of transportation trailers which are lightweight and mobile. These trailers can also be used to transport tail and nose sections, pods and tanks. They are also used for temporary storage. By using these transportation trailers we reduce the tare weight of an engine shipment from approximately 3,500 pounds to 800 pounds. With these trailers we use a tough, water-resistant, zippered cover or wrap to protect the engine during shipment and short periods of outside storage.

In addition to these trailers we also have a need for a lightweight container to replace the heavy-duty metal cans in our present system that are being used for long-term storage. We are now in the process of procuring a paraglass

engine container. This container is fabricated from ultra-high strength, unidirectional fiberglass which offers the greatest possible strength weight ratio known glass-resin combination materials. By taking advantage of the inherent strength and moldability of the material and incorporating a sealing and pressure differential compensating technique, it has been possible to develop a vapor-proof engine container of extreme lightweight (approximately 350 pounds) and durability that will be suitable for transportation and storage. Design characteristics of this container allow the engine, its adapters and container and remain together as an assembly. They can be transferred from one unit of the twin rail system to another without disturbing the container or the engine. This innovation makes it compatible with the maintenance trailers. Contract finalization on this procurement is anticipated very soon.

Like everyone else, the Air Force packer does not sit back on his laurels, but rather strides forth to do a better job. The objectives facing him today are not easy to conquer, but we are confident they are not difficult to the point of insurmountability. What are these objectives? There are four distinct areas where the optimum of packaging has not been reached and where we have set our sights for the coming year.

There is an urgent need for a universal container, suitable, because of minimum tare weight and ability to perform under several varying conditions of shipment, for use during all modes of transportation. We are looking towards industry to help us discover this "ideal" container.

## Use of Specifications

We must better utilize our specifications by making certain the one most desirable for a specific need is used. The development of "performance" type specifications are giant steps forward, but they do not eliminate our problem completely. Specifications have been accepted by many as a necessary evil instead of a potential money-maker. This must stop. Many mutual advantages result and dollars are saved for both industry and the military when specifications are used properly.

By better dissemination of information on improvements in materials, methods or containers approved for use, to all using activities within the Air Force, we will attain better packaging of items throughout our supply inventory. This objective also offers us the opportunity to standardize the packaging of like items throughout our system.

This is actually a two-pound objec-

tive—to insure segregation of material by freight rates prior to packaging and packing for shipment, and to assure that packaging commensurate with mode of transportation is utilized.

Vision and bold originality of conception alone can realize the full potential of new packaging economies. Stripping words and phrases—what we in the Air Force have achieved is only a step towards the zenith of practical packaging—our road leads to the top.

## FORCE THE KEY

(Continued from Page 15)

moves as fill-up load on passenger services, and the percentage share of cargo in total revenue is relatively small. Tomorrow there will be a flood of cargo space; and air cargo will have to be considered as a traffic which must stand on its own feet and earn its own way.

What kind of vitamins are needed to transform this promising stripling to a full-grown breadwinner? No one kind will do the job: there must be a judicious admixture of many kinds. There is the vitamin of physical facilities at airports. With more and more all cargo aircraft, we shall require more and better terminals designed and equipped primarily for air cargo. Airport authorities have not always been successful in producing buildings through which passengers can be processed with speed and efficiency; and a lot more thought will be required to develop suitable buildings and equipment for dealing with air cargo.

There is the handling and stowage vitamin. A service that moves through the air at hundreds of miles per hour cannot afford to move on the ground at a rate of 50 yards in an afternoon. More progress must be made in cutting down the time for loading and unloading cargoes, getting them through customs and on to actual delivery. There

## IATA Rates Up in the Air

Lack of agreement has brought the Traffic Conferences of the International Air Transport Association at Cannes, France into recess. They will reconvene next April 1.

Philip Lawton, commercial director of British European Airways, who was chairman of the conferences, said, with respect to North Atlantic cargo rates:

"Some carriers feel that the time has come for drastic expansion of cargo traffic through new low rates for specific commodities. Others consider this to be premature and uneconomic, and at least one carrier has further insisted on a differential for cargo services in jets. Here . . . we expect that the recess will assist a solution."

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are many ingenious systems being studied and we must pay more attention to them.

There is the simplification vitamin, simplification of papers and procedures, on which we have been working for a long time. Our facilitation, legal and accounting people have all been chopping away at the problem of getting cargo moving with the least possible delay. They have done a great deal, but we should encourage them, and expect them, to do more.

We must also try the rating vitamin. The right rating system is essential to the proper expansion of the air cargo market. I am not only suggesting lower rates, which must come with more efficient all-cargo aircraft and which will inevitably develop more traffic. The rating structure itself must also be more easily understood by both the shipper and the consignee and must be easily applicable by the shipper to his own particular product.

## Sales Aids

Another need is sales research and development. To fill our holds, we shall have to carry a variety of commodities which we seldom if ever handle today. This requires imagination, research, education and promotion. The commodities we must lay our hands on have been moving through established channels of surface transport for centuries; to get hold of them means changes in packaging and packing, inventory and warehousing and other practices which have become crystallized by long use. Much of this we can do for ourselves, but not all of it.

## Yanagita IATA Head

Seijiro Yanagita, president of Japan Air Lines, has been elected president of the International Air Transport Association. He will preside over next year's annual general meeting of the world airlines organization, scheduled to be held in Tokyo, October 12-16. JAL's public relations director, Tonao Senda, was appointed liaison for the 1959 sessions in the Japanese capital.

In a recent exclusive interview with *Air Transportation's* executive editor, to be published in a forthcoming issue, Mr. Yanagita expressed himself as a wholehearted proponent of air cargo.



Yanagita  
Top spot

Shippers and importers must be encouraged by the appeal to their own pockets to exercise their own imaginations.

Forecasts of future trends are usually based in part on extrapolations of past progress and in part on current experience and enlightened guesswork. I believe that the future of air cargo is all out of proportion to its present, because the jets will offer new horizons of development and intensify present trends as well. For example we will not only be able to provide faster and cheaper service, but thanks to the very rapid shifts in population which passenger services make possible, we shall be finding new areas of demand all



over the globe. I do not expect that in the next ten years we shall be carrying regular cargoes of cement, ore, wheat or locomotives, but we should be carrying everything else -- from whisky to bulldozers, hard goods as well as the perishables in which we are already supreme. Whether we do or not, however, depends on us. The potential is there, but we must forge the key that will get us through the door. And the key, to my mind, is an intensive educational campaign to convince ourselves of what air cargo can do for us, and to convince prospective shippers and consignees of what air cargo can do for them. • • •

## INVESTIGATION

(Continued from Page 16)

Domestic Forwarder Case; however, he concluded that different factual circumstances peculiar to international forwarding, as contrasted with domestic forwarding, warrant application of a different rule. We do not agree.

The matter of preference for forwarders raises two separate and distinct questions. The first is whether machinery exists within the framework of the Act by which such preferences may be established. The second is what the Board's regulatory position with respect to such preferences should be if they are legally permissible. The first question was resolved in the Domestic Proceeding. We there held in essence that for rate-making purposes a forwarder must be treated as a shipper in relation to an underlying direct carrier and that the agreements provision of Section 412 is not the proper vehicle for the establishment of rates for forwarders.<sup>7</sup>

The question of establishing rates by agreement was carefully considered in the Domestic Proceeding. Our decision therein that we lack power to approve rates under Section 412 that would otherwise violate the rate-making provisions of the Act was affirmed upon review by the Court of Appeals for the District of Columbia Circuit.<sup>8</sup> We

<sup>7</sup> We should stress that we did not hold, as has been suggested, "that forwarders are not really carriers at all" nor did we hold that forwarders "cannot enter into compensation agreements under Section 412." Quite clearly, a forwarder is an air carrier as that term is defined in Section 1(2) and, being an air carrier, he must file any agreements with other carriers covering the subject matter described in Section 412. We merely held that the filing of such an agreement cannot establish a rate; rates may be established only by the employment of the Section 403 tariff machinery.

<sup>8</sup> *Airborne Freight Corporation v. CAB, et al.*, No. 13,882, June 12, 1958. The contention that the court merely affirmed the Board's power to decide as a matter of policy that it would not approve any compensation agreement does not appear tenable. The Board's decision in the Domestic Proceeding was unambiguously premised upon legal and not policy

see no reason to disturb our prior ruling on the issue of rate agreements. We firmly believe that ruling to be sound. We accordingly affirm our holding and declare it to be applicable to international as well as domestic forwarders.

It is claimed that such a holding is contrary to general transportation practice and experience throughout the world. The contrary is true. Generally speaking, forwarders must pay the established tariff rates in all fields of domestic surface transportation with one very limited exception.<sup>9</sup> Nor is our position inconsistent with the maritime practice. In fact, the so-called "maritime forwarder" is in no way analogous to the air freight forwarder. The maritime forwarders are not carriers: they do not assume responsibility for the carriage nor do they issue their own bills of lading. They are intermediaries between the shippers and direct carriers, the latter issuing bills of lading to the shippers and not to the forwarders. Since maritime forwarders do not consolidate shipments, they do not profit from the weight-breaks.<sup>10</sup> Moreover, in those instances where a maritime forwarder acts as a shipper, he must pay the established tariff rates.<sup>11</sup>

grounds. Moreover, the recital of facts by the Court of Appeals leaves no doubt that the Court so understood the Board's decision.

<sup>9</sup> That exception is in the field of motor carriage and applies only to truck loads where the line haul is no more than 450 highway miles. 49 U.S.C. Section 1009.

<sup>10</sup> As to the function of the maritime forwarder see *U.S. v. American Union Transport*, 327 U. S. 427 (1946). See also *Chicago, M., St. P. & P. R. Co. v. Acme Fast Freight*, 336 U. S. 465, 484-5 (1949).

<sup>11</sup> See Hearings before the Special Subcommittee on Freight Forwarders, etc., of the Committee on Merchant Marine and Fisheries, House of Representatives, 84th Cong., 1st and 2nd Sess. (1956), p. 28.



It is argued that our treatment of freight forwarders is inconsistent with our approval of agreements between the trunklines and the Railway Express Agency. The short answer to this contention is that, under the agreements we have approved, the Railway Express Agency is simply not a shipper in relation to direct carriers. Essentially, REA is the express division of the air carriers. Like forwarders, REA issues bills of lading to its customers, the shippers, but the airlines do not issue such bills of lading to REA as they do to forwarders. They merely accept and use the waybills and manifests prepared by REA. REA files and publishes rates only pursuant to an agreement with the direct carriers, whereas the forwarders unilaterally establish their own rates. REA receives its compensation in accordance with the contractual formula which allows REA its costs plus a reasonable profit. Such accounting for profits or losses is not to be found in the forwarder-carrier relationship. It is for these reasons that the law has always distinguished between express agencies, such as REA, and forwarders, and it is established that express agencies are not shippers and are, therefore, not subject to tariff procedures.<sup>12</sup>

We are fully cognizant of our duty to encourage the development of the air transportation of freight. However, the record is far from convincing that discriminatory rate differentials for forwarders would promote a sound development of air freight transportation. But even if we were convinced of the economic soundness of the proposal, we could not permit such rates to be established under Section 412 without exceeding our statutory powers.<sup>13</sup>

Having concluded that preferential rates may be established only by Section 403 tariff filings, we turn next to

<sup>12</sup> See, *Air Freight Forwarder Case*, 9 CAB 473, 478-83 (1948), aff'd 178 F. 2d 903 (D. C. Cir. 1952). *American Trucking Association, Inc. v. U. S.*, 344 U. S. 298 (1953); *Chicago, M., St. P. & P. R. Co. v. Acme Fast Freight*, supra; *Express Cases* 117 U. S. 1 (1886).

<sup>13</sup> In connection with the request of Emery Air Freight that the Board refrain from any action which would prohibit U. S. and foreign forwarders from filing rates for end-on carriage or from entering into pooling and other agreements, the examiner suggested that our decision in the Domestic Forwarder Case cast doubt on the status of forwarders as "air carriers" for purposes of Section 412 of the Act. We agree with and adopt the examiner's conclusions that forwarders should not be prohibited from entering into such arrangements with foreign forwarders (or from entering into agreements with foreign agents) and that such agreements should be filed under Section 412, but we cannot adopt his interpretation of our prior decision in the Domestic Forwarder Case. As indicated above, our decision in that case was limited to the proposition that for the purposes of establishing preferential rates, normal tariff filing procedures must be followed. Nothing in that decision derogates from the obligation of all carriers to file agreements with other carriers concerning matters embraced by Section 412.

the arguments of the direct air carrier parties and Bureau counsel that such tariff rates should be prohibited in advance by regulation. Certain of the direct air carrier parties argue that all preferential rates for forwarders would be *unlawfully* preferential. Hence, they contend such rates should be prohibited in advance.

As indicated above, in the Domestic Forwarder Case we decided to consider the lawfulness of a particular preferential rate on its own merits when filed, relying on our power to suspend the rate during the time it was under investigation. In the present case, Bureau counsel argues that a preferential rate for forwarders could be justified and found lawful only in rare instances. He argues that since we have no power to suspend rates in foreign air transportation, such rates could have a deleterious effect on the stability of the foreign cargo rate level and on the revenues of direct air carriers during the period required for an investigation of their lawfulness. Bureau counsel suggests that this danger is such as to warrant the complete prohibition of preferential rates for forwarders.

We recognize the necessity for maintaining reasonable stability in foreign air transportation freight rates, but we are unprepared to say that every preferential rate granting a discount to forwarders not accorded other shippers would necessarily be unlawful. Accordingly, we will affirm the rule adopted in the Domestic Forwarder Case which, in effect, provided that we will consider the lawfulness of such tariff rates on their individual merits when filed. However, we are concerned about any disruption in the stability of foreign freight rates which might result from the filing of a succession of preferential rates which could go into effect before Board determination of their lawfulness.<sup>14</sup> We believe this danger justifies a condition in the new regulation requiring prior Board approval of preferential rates, before they are put into effect, and further that such a provision is a reasonable condi-

tion on grant of the forwarder exemption. Such a procedure will allow forwarders the advantage of such preferential rate treatment as may be justified under the rate-making standards of the Act without threatening the stability of the basic foreign rate level.

## II

We also disagree with the examiner on the question of free and reduced-rate transportation for the officers, directors, etc., of freight forwarders. The appropriate provision of the Act to be considered is section 403(b), which provides:

Nothing in this Act shall prohibit such air carriers or foreign air carriers, under such terms and conditions as the Board may prescribe, from issuing or interchanging tickets or passes for free or reduced-rate transportation to their directors, officers, and employees and their immediate families; . . . and, in the case of overseas or foreign air transportation, to such other persons and under such other circumstances as the Board may by regulations prescribe.

The examiner concluded that direct air carriers are presently authorized to file tariffs providing for free and reduced-rate transportation of forwarder personnel by Section 403(b) and by Part 223.2(b) of the Regulations. Part 223.2(b) lists the following category of persons as eligible for free and reduced-rate transportation:

Directors, officers, and employees and members of their immediate families, of any person operating as a common carrier by air, . . .<sup>15</sup>

The examiner reasoned that since a forwarder is a "common carrier by air" under the definition of "air carrier" set forth in Section 1(2) of the Act, forwarder personnel fall within the Part 223.2(b) and Section 403(b)<sup>16</sup> lists of persons eligible for free and reduced-rate transportation.

We are unable to agree with the examiner's construction of the applicable provisions of the Act and of our Regulations. The key to the question to be resolved is whether forwarders are "air carriers" for the purposes of Section 403(b) of the Act or whether "the context otherwise requires."

Section 1 of the Act provides:

As used in this Act, *unless the context otherwise requires* . . . (2) "Air Carrier" means any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation: *Provided*, That the Board may by order relieve air carriers who are not directly engaged in the operation of aircraft in air transportation from the provisions of this

<sup>15</sup> Part 223.2(b) is limited to carriers engaged in overseas and foreign air transportation.

<sup>16</sup> There is no question that if forwarder personnel fall within the meaning of the categories listed in section 403(b), they may receive free transportation.



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<sup>14</sup> Although perhaps unlikely, it is possible for foreign freight rates to be revised at such intervals as to make effective Board control impossible. Freight rates established through the IATA machinery are subject to some control through the Section 412 agreement approval procedure; however, the forwarders are not being limited to the use of IATA carriers and in certain areas IATA carriers are permitted to meet competitive non-IATA carrier rates. If forwarders develop their participation in the movement of air freight to the extent we envisage as possible and desirable, their influence through the control of a large volume of freight might, in the future, enable them to force uneconomic rate cutting. Our obligation to maintain the integrity of the foreign rate level and the financial position of international direct air carriers makes imposition of the proposed condition necessary if preferential rate cutting to an uneconomic level is to be effectively prevented.

Act to the extent and for such periods as may be in the public interest." (Underlining supplied).

It is clear from our action in this and in prior cases that forwarders are included in the designation "air carriers" for the purposes of many of the provisions of the Act. It is equally clear that because of the forwarder's role as a shipper *vis-a-vis* direct air carriers or for other reasons, they cannot and have not been considered "air carriers" for the purposes of other provisions of the Act.<sup>17</sup> This seeming inconsistency in the regulation of forwarders and in the construction of the words "air carriers" is, however, fully consistent with and results from the forwarder's recognized dual shipper-carrier status.

We are convinced that the words "air carriers," as used in the second sentence of Section 403(b), cannot be construed to include forwarders. In the first place, the transaction or relationship in question is between forwarder and direct air carrier. Thus, the issue to be resolved is whether the term "air carrier" can reasonably be construed to include forwarders in their "shipper" capacity.

Free transportation for personnel of one class of shippers would, in our opinion, run afoul of those provisions of section 403 which proscribe rebates. The Act specifically provides that no air carrier shall "in any manner or by any device, directly or indirectly, or through an agent or broker, or otherwise, refund or remit any portion" of applicable transportation charges or extend to any person any special privileges or facilities, except as specified in tariffs. Further, Section 902(d) of the Act makes the grant or receipt of a rebate a criminal offense. We conclude that free transportation for forwarders would constitute a refund or remittance of valuable consideration to a special class of shippers, whether viewed as a direct or indirect rebate, and that, therefore, such a practice would be unlawful under the Act.

The wording of the second sentence of Section 403(b) gives support to the view that only direct air carrier officers, directors, etc., may receive free transportation. The words "issuing or interchanging" "tickets or passes" implies a reciprocal exchange in kind between "air carriers" authorized to provide the actual carriage of the categories of persons specified as eligible for free transportation. The forwarders, as in-

direct carriers, are not in a position to "issue or interchange" "tickets or passes," and thus are not, in our opinion, encompassed within the designation "air carrier" as used in the second sentence of section 403(b).

Even though we conclude that forwarder personnel do not fall within the categories named in Section 403(b) of the Act, we are empowered by the Act to authorize free or reduced-rate transportation "in the case of overseas and foreign air transportation, to such other persons and under such other circumstances as the Board may by regulations prescribe." Thus, an argument could be made that we could permit free transportation of forwarder personnel by appropriate regulation. However, without considering whether the provisions of the Act which prohibit rebates to shippers would bar issuance of such a regulation, we conclude on the merits that such free transportation is not warranted.

We are not persuaded that free transportation for forwarder personnel is necessary or that it would be particularly useful in developing the forwarding industry. The argument that free transportation would facilitate the inspection and supervision of operations by foreign affiliates is not compelling. It is difficult to perceive any reason why free transportation is indispensable to the establishment and continuation of such joint operations as the forwarders may choose to engage in with foreign affiliates. Certainly this argument does not warrant establishment of a practice contrary to the basic policy of the Act which is to limit rather than expand the category of persons eligible for free transportation. With these various considerations in mind, we conclude that forwarders are not eligible for free or reduced-rate transportation under Section 403(b) of the Act or Part 223.2(b) of the Regulations.

### III

The examiner concluded that forwarders should be permitted to handle shipments as the agent of a direct air carrier, when the forwarder accepts the shipments for forwarding, but is unable to effect a consolidation.<sup>18</sup> This would mean that if, on any particular day, the forwarder had an insufficient volume of freight to make up a single

consolidated shipment that could move at the direct carrier's lower per pound volume rates, the forwarder could decide to ship the freight as agent of a direct carrier at the direct carrier's regular tariff rates, and collect an agency commission from the direct air carrier.<sup>19</sup>

We have decided to adopt the examiner's conclusion on this issue even though we recognize we are establishing a different rule from that which prohibits domestic forwarders from acting as agent of the direct carrier in similar circumstances.<sup>20</sup> We do this with the expectation that the commission means of supplementing forwarder revenues will have a stimulating effect on the overall quantum of international forwarding activity which is considerably less developed than domestic forwarding. We are approving the practice, within the narrow framework we propose, only as a device to enable international forwarding enterprises to launch and establish their businesses on a firmer financial basis and to prevent disruptive losses in those instances where a consolidation cannot be effected. Although the practice does not directly encourage forwarding, we are satisfied that forwarding will be indirectly encouraged and international air freight traffic stimulated if the forwarders are able to conduct their initial operations on a less precarious financial basis than is presently the case. With commission revenue available to the forwarders, they will be able to continue marginally profitable operations until their businesses are developed to the point that a volume of traffic sufficient for regular consolidation can be generated. The commission should prevent continuing loss operations which might mean an end to a forwarder's business entirely or a cessation of serious attempts to continue forwarding. As a forwarder's business grows and consolidations are made regularly, the forwarder will have fewer occasions to exercise this option and the practice can be expected to cease in due course.

In deciding to permit this practice

<sup>17</sup> Most forwarder rates are set at a per pound rate below direct air carrier rates on small shipments. The forwarder expects to make a profit by consolidating a number of small shipments into a single large shipment which will move at the direct air carrier's lower volume rates. If the forwarder does not generate a volume sufficient for consolidation, it must pay the higher direct air carrier rates applicable on smaller weights and will, thus, suffer a loss on handling the shipment. If the forwarder handles a shipment which cannot be consolidated, as shipper's agent, it receives no commission and is paid only for such accessorial services as are provided.

<sup>20</sup> Part 296.3(a) prohibits domestic freight forwarders from acting as carrier's agent with respect to shipments accepted for forwarding. Such shipments may be handled as shipper's agent (without collection of a commission from the direct carrier) provided certain prescribed notice provisions are satisfied.

<sup>18</sup> For example, the Board has not considered indirect air carriers as air carriers for the purposes of the second proviso of the Act, *Railway Express Agency Grandfather Certificate*, 2 CAB 531 (1941); or for the purposes of the second proviso of section 408(b), *Air Freight Forwarder Case*, 2 CAB 473 (1948), affirmed 178 F.2d 903.

<sup>19</sup> The examiner would include provisions in the new forwarder regulation requiring notice to the shipper of the possible conversion of a shipment tendered for forwarding into an agency shipment. The examiner also correctly noted that forwarder-direct air carrier agency agreements must be filed pursuant to Section 412 of the Act. The discussion in the text above is limited to shipments originally accepted by the forwarder for forwarding, and does not concern itself with the forwarder's right to originally accept shipments for handling in an agency non-carrier capacity.



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in international forwarding, we have not failed to consider the different conclusions reached in the Domestic Forwarder Case. There the Board said that "allowing the forwarder to act as carrier's agent permits the creation of a situation where conflicts of interest are almost inevitable."<sup>21</sup> It is true that permitting the forwarder to act as carrier's agent places him in a position where he has a choice of methods for handling a particular shipment which directly affects the charges the shipper must pay and the particular direct carrier and schedule on which the shipment will move. Such a choice may be undesirable from an overall regulatory point of view; however, we believe that with respect to international forwarding other considerations are of greater weight. As indicated above, we believe the practice will strengthen international forwarding which is not as well developed as domestic forwarding. Also, the payment of commissions is, as the examiner found, "a standard part of the international process." Most of the international forwarders are also registered IATA cargo agents and as such are paid 5% commissions on freight

procured for IATA carriers. Finally, it must be noted that the option will be available to the forwarder only when a consolidation cannot be effected. This limitation on the exercise of the privilege will act to preserve the identity of the forwarder's primary authorization which is to operate as an indirect air carrier rather than as an agent.

We do not believe the shipping public will be significantly affected by permitting the forwarders to act as carrier's agent, since shippers will never pay more than direct air carrier tariff rates. The shipper pays only regular direct air carrier tariff rates whether or not the forwarder receives a commission from the direct carrier. Shippers will, in fact, be benefited in the long run if forwarders are strengthened and able to grow to the point that consolidations may regularly be made. With the forwarder able to effect consolidations regularly, the public will have the benefit of the forwarders' generally lower rates. Since direct air carriers follow the general practice of paying commissions on traffic generated by agents, they are basically unaffected by permitting the forwarder to act as their agent and collect a commission on a limited number of shipments.<sup>22</sup>

<sup>22</sup> Our action herein does not affect the

Accordingly, our proposed regulation will permit forwarders to handle shipments accepted for forwarding, as agent of a direct air carrier in those cases where a consolidation cannot be effected. So that the public may be fully appraised of this option of the forwarder at the time shipments are tendered, we will require the forwarders to follow a notice procedure similar to that required in the domestic forwarder regulation for handling shipments as shipper's agent.<sup>23</sup>

## IV

In issuing a new forwarder regulation, it is our intention to liberalize the forwarders' authority in those respects which may be expected to stimulate the growth of international forwarding. We believe that one of

validity of prior decisions that commissions paid to forwarders on consolidated shipments, where the forwarders are acting in their role as shippers, constitute illegal rebates. See, *Investigation of Seaboard & Western Airlines, Inc.*, 11 CAB 372, 385 (1950).

<sup>23</sup> Our proposed regulation will also permit international forwarders to handle shipments accepted for forwarding, as the agent of the shipper. As far as the shipper is concerned, there is little difference whether the forwarder handles a shipment as agent of the shipper or as agent of the direct air carrier. The important difference is to the forwarder, since he receives a commission when acting as carrier's agent and does not when acting as shipper's agent. In either situation, the shipper pays direct air carrier tariff rates.

<sup>21</sup> Supplemental Opinion and Order on Reconsideration No. E-10193, April 13, 1956.

those areas in which our present regulation can be relaxed without adverse effect is with respect to the direct air carrier services forwarders may use. The forwarders are presently required to use the *scheduled* services of certificated or permit holding carriers, but have requested authority to charter aircraft from foreign air carriers, certificated air carriers and supplemental air carriers, and to utilize supplemental air carrier services on an individual shipment basis. After consideration of the present record, we conclude, as did the examiner, that the forwarders should be permitted to charter aircraft and use supplemental air carrier services as they request.

The present limitation on the direct air carrier services which forwarders may use, was imposed in 1949 when the international forwarder experiment was first authorized, because of a fear that excessive forwarder utilization of irregular air carrier facilities would result in an unstable foreign cargo rate situation.<sup>24</sup> However, we now believe that the forwarders' authority may be expanded in such a way as to stimulate the development of forwarding without inviting the evils foreseen in our 1949 opinion. We are satisfied that permitting forwarders to charter aircraft and to use supplementals on an individual shipment basis is in the public interest. The shipping public will be served to the extent additional airlift will be made available to the forwarders; and all direct air carriers will be able to solicit forwarder traffic on a more equal competitive basis consistent with their basic authorizations. Accordingly, we are proposing a revision of the regulation which will permit forwarders to utilize all available direct air carrier services subject to only one condition, which we regard as still necessary.<sup>25</sup>

Bureau counsel supports granting forwarders the authority to charter aircraft but advocates imposition of a condition which would require prior Board approval of a charter to be operated between any pair of points which another carrier is authorized to serve pursuant to a certificate or foreign air carrier permit. In such an

instance, the forwarder would be required to secure a special authorization, upon a showing that it would be a hardship on the forwarder to use the scheduled services of a certificated air carrier or of a foreign air carrier.

We agree with Bureau counsel that such a condition is necessary to protect the rights of the certificated carriers which have been specifically authorized to provide service over a particular route.<sup>26</sup> This basic principle has been recognized in Part 207.8 of the regulations which permits a certificated carrier to operate a foreign or overseas charter over the route of another carrier only if certain specific conditions are met.<sup>27</sup> Imposition of a somewhat similar condition is desirable here. However, we will not require prior approval in the case of charters between points outside the routes of certificated carriers.

It has been suggested that the charter of aircraft by freight forwarders from supplemental carriers stretches the charter concept—indeed entails a radical expansion of the charter concept—and that instead of being bona fide charters, they are in reality individually waybilled shipments. These characterizations, we believe, are aside from the mark, for it is clear that where the forwarder engages the entire capacity of the aircraft, the essential elements of a charter is present. Whether the forwarders should, as a matter of economic policy, be allowed to enter into these charters is a matter upon which judgments may differ—but a sound decision on this question should turn upon the underlying economic facts, and not upon conceptual niceties as to what may be considered a "true" charter.

In this connection, it is claimed that there is a basic inconsistency between

<sup>24</sup> The examiner's conclusion that such an advance approval procedure is unwieldy and impractical and that, therefore, it should not be imposed, is unpersuasive. The Board has been able to act expeditiously in similar circumstances in the charter field in the past, and there is no reason to believe the same procedure here would be burdensome.

<sup>25</sup> Part 207.8 provides: "An air carrier shall not perform any charter trip or other special service in overseas or foreign air transportation between points or areas between which another air carrier has been authorized to engage in air transportation by the Board through one or more certificates of public convenience and necessity (1) unless such carrier could be authorized, pursuant to the terms of its certificate of public convenience and necessity, to serve such points or areas on a nonstop basis, or (2) pursuant to the provisions of either paragraphs (a) or (b) of this section."

"(a) Such charter trip or other special service may be performed if the consent in writing therefor of such other carrier or carriers designated to offer service between the points involved has been obtained and such consent has been filed with or mailed to the Board in a properly addressed envelope with postage thereon prepaid, or

"(b) Where specific authority to conduct the charter trip or special service has been granted by the Board upon a finding that the public interest so requires."

the Board's policy of prohibiting agent assembled passenger charters and our decision to permit forwarders to charter for consolidated cargo. According to this view, there is "no difference in substance between a freight forwarder chartering a plane for a consolidated shipment and a tour guide soliciting passengers for a charter flight from the general public and then charging them total fares in excess of the charter price." No doubt there is a superficial analogy in these two situations, since one involves "forwarding" of passengers whereas the other involves cargo. But whether the two situations call for the same economic policy turns on the question whether the economics of passenger transportation and cargo transportation are essentially identical in these circumstances. In our judgment, no such identity exists; indeed, the problems of passenger generation and cargo generation are different in scope and degree and call for basically different treatment.

Thus, in the case of international transportation we have always had more stringent rules upon the movement of passengers than the movement of cargo by supplemental carriers. Indeed, supplemental carriers have always been prohibited from carrying passengers in foreign air transportation, whether individually ticketed or on charter flights (in the absence of special exemption orders). In sharp contrast, individual and charter cargo movements have always been permitted, because of the fundamental differences between cargo and passenger business and the extent to which these two phases of international air transportation have been developed.<sup>28</sup> Even as to charter movements by certificated carriers, the rules as to passenger charters have differed substantially from those as to cargo—under Part 207, charters to forwarders of cargo have been authorized, whereas "agent assembled" passenger charters have been prohibited both domestically and internationally.

We need not attempt to repeat here the reasons for these variances in the treatment of passenger and cargo charters. Suffice it to say that these differences have been carefully defined and deliberately established to meet essentially different problems; and it is pointless to argue that forwarders of cargo should not be permitted to charter from supplemental carriers merely because agents may not do so in passenger charters.

<sup>28</sup> When the Board, under its transatlantic charter policy, opened up one area of international passenger transportation to noncertificated carriers, it did so to meet the very special seasonal needs of the transatlantic passenger market, and not because of any basic identity in the nature and extent of passenger and cargo movement.

<sup>26</sup> See 11 CAB 193.

<sup>27</sup> We believe the desirability of making additional airlift available to forwarders amply supports our proposed amendment of the present regulation. However, we do not adopt the examiner's findings that the amendment is also supportable as a means of effectuating a reduction in transatlantic cargo rates, an argument with which we do not fully agree. The examiner noted in his initial decision that IATA carriers were prohibited from chartering aircraft to indirect carriers. However, by Order No. E-12307, March 31, 1958, the Board approved certain IATA resolutions subject to a condition that they should not be construed as prohibiting the charter of aircraft of foreign or U. S. IATA carriers by U. S. international freight forwarders.

Our decision to permit freight forwarders to charter from supplemental carriers is manifestly experimental (as indeed was our original decision to authorize any international air freight forwarding). Now that international air freight forwarding has shown its worth, and has justified its continuation, we believe it is appropriate to test by experience the effect of forwarder charters from supplemental carriers in international air transportation. The bounds of this experiment are carefully circumscribed, since charters by supplemental carriers over certificated routes will be permitted only upon special authorization from the Board. And even if the experiment proved unsuccessful, we would have full power to act promptly to remedy the situation.

It has been suggested that the limited experiment we are authorizing "takes away most of the benefit" of what we are giving the forwarders "and simultaneously creates another set of detailed applications to this Board already overburdened with needless details." This criticism would be telling if the experiment contemplated that forwarder charters were to be primarily operative over certificated routes. But the contrary is the case, since it is intended that charters from supplemental carriers are to provide services between markets not served by the certificated route system; charters in certificated markets must have special authorization and require a special showing. In this setting, we see no basis whatsoever for the fear that the Board will be overburdened with administrative detail.<sup>20</sup>

Certain of the certificated carriers have again raised the argument that use of supplemental carriers by forwarders will lead to a deterioration of the foreign freight rate level so as to seriously reduce their revenues and threaten the continuation of their present volume of scheduled services. We cannot agree that our action herein could have such serious consequences. The requirement of specific advance approval of a forwarder-supplemental

<sup>20</sup> Moreover, we are not prepared to forego the advantages of the particular experiment here involved merely for the sake of avoiding the administrative work involved. If administrative burden were the primary test of our policy, we might never have attempted an air freight forwarder experiment at all! In this connection, we note our experience in the Transatlantic Charter Policy where we have assumed the administrative task of passing upon individual charter applications, in order to give the public the benefit of such charter services without jeopardizing the certificated system. It would indeed have been much simpler to prohibit such services, but the traveling public would have been the loser. So, too, it would be simpler for the Board to forbid forwarder charters from supplemental carriers, but the shipping public would be the loser. We are convinced that the middle course we are following is sound, and achieves a proper balance between effective administration and service to the public.

charter over the route of a certificated carrier will provide full protection against a disruptive volume of charter service in the certificated carrier's own markets.<sup>30</sup> And we are authorizing forwarder use of supplementals on an individual shipment basis for only a three-year experimental period. Furthermore, we do not believe that non-subsidized supplemental carriers, with no obligation to provide any particular volume of service, will operate non-charter flights to any considerable degree except where a profit is reasonably expected from the carriage of forwarder and other traffic. The economic facts of conducting a profitable operation will deter supplementals from dropping the floor from the cargo rate level and from operating a flood of services merely to carry individually waybilled forwarder shipments. At the present stage of the relatively underdeveloped forwarder traffic market, we do not foresee any adverse effect on the general cargo rate level. In any event, we will be in a position to review the authorization of forwarders' use of supplementals on an individual shipment basis in three years on the basis of actual experience. Accordingly, our proposed regulation will permit forwarders to charter aircraft from certificated air carriers, foreign air carriers and supplemental air carriers, subject to the restriction discussed above, and to use supplemental air carrier services on an individual shipment basis for a temporary three-year period.

## V

We agree with the examiner that the forwarders should be authorized to engage in joint loading. However, contrary to the examiner, we believe their joint loading agreement with other forwarders should be filed with the Board pursuant to Section 412 of the Act. No real basis has been shown for exempting the forwarders from the requirement of filing these agreements, which would otherwise have to be filed under Section 412. Filing the agreements will keep the Board appraised of the activity in the joint loading field, which is essentially a new and still more-or-less experimental extension of the forwarders' operating authority. Accordingly, we will not exempt the forwarders from the filing requirement and will require them to maintain and preserve certain records with respect to their joint loading activities as has been done with respect to domestic forwarders.

<sup>30</sup> We believe this condition makes unnecessary the examiner's proposal that supplemental carrier charter flights carrying consolidated shipments should be regarded as individual shipment flights for purposes of the frequency requirements of the supplemental carriers' operating authorization.

## VI

The examiner denied the request of Air Cargo Consolidators, Inc., for a change in the industry title from "international air freight forwarder" to "air cargo consolidator" because he felt a change would result in confusion, due to the relatively long-standing use of the present title. However, we believe "air cargo consolidator" is more suggestive of the indirect air carrier services the forwarders are authorized to provide, and that this title will distinguish international air freight forwarders from surface forwarders which operate as agents rather than as indirect carriers. Also, the change conforms to IATA's use of the "consolidator" terminology. Since the various forwarders have been operating under their own individual names, and their customers are presumably familiar with those names, we do not foresee that any substantial confusion could result from a change in the regulatory title of the entire class of carriers. We are, therefore, using the "air cargo consolidator" designation in our proposed regulation.

We have considered the remaining exceptions of the parties and the contentions in support thereof, and find they should not change our conclusions herein. Accordingly, in view of the foregoing and upon consideration of the entire record we find:

▶ That a proposed new Part 297 of the Board's Economic Regulations classifying, exempting and regulating international air cargo consolidators should be issued concurrently herewith as a notice of proposed rule making;

▶ That an investigation of the lawfulness of agreements filed with the Board, whereby direct air carriers act as the agent of an international air freight forwarder principal for the purpose of assembling shipments at gateway cities for international forwarding onward, should be instituted, and that no similar agreement should be approved pending final decision in the aforesaid investigation;<sup>31</sup>

▶ That the public interest does not require further investigation of the necessity for assuming jurisdiction over foreign freight forwarders at the present time; and

▶ That the request of Pacific Air Freight, Inc., for regulation under Part 296 of the Economic Regulations should be denied. . . .

<sup>31</sup> CAB Agreements Nos. 5449 and 8106, which are included in the investigation being instituted concurrently with our decision herein, were approved by Board Orders Nos. E-5704, September 14, 1951, and E-8522, July 26, 1954, respectively; however, on our own motion we will reopen these matters for further consideration.



## FORWARDERS WIN

(Continued from Page 6)

should also be filed for approval of the Board, pursuant to Section 412 of the Act.

► Forwarders authorized to charter aircraft from certificated air carriers, foreign air carriers and supplemental air carriers, subject to a condition requiring special Board authorization for charters operated between points served by certificated carriers. Forwarders authorized to use supplemental air carrier services on an individual shipment basis for a temporary three-year period. This expansion of the forwarders' authority will not adversely affect the scheduled services of certificated carriers or the foreign freight rate level.

► Preferential rates for forwarders may be established by Section 403 tariff filings only. Condition requiring prior Board approval before preferential rates may become effective imposed to maintain the stability of the foreign freight rate level.

► Joint loading authorized, with filing of specific joint loading agreement and preservation of joint loading records required.

► Forwarders authorized to handle shipments, accepted for forwarding, as airline agent when a consolidation cannot be affected. This authorization will prevent disruptive loss operations and will indirectly promote forwarding.

► Formal investigation instituted to determine the lawfulness of agreements between forwarders and airlines wherein the forwarder acts as principal to an airline agent.

► Forwarder personnel are not eligible for free and reduced-rate air transportation since forwarders are not "air carriers" for the purposes of the second sentence of Section 403(b) of the Act.

► Industry title, for regulatory purposes changed to "air cargo consolidator," since this more accurately describes the forwarders' indirect air carrier activities.

► Request of Pacific Air Freight for regulation under Part 296 disapproved.

► No action taken on Seaboard & Western's request for equalization of forwarder and airline rates in the highest weight bracket, since the matter was not fully litigated as an issue in the case.

► Forwarder cargo and liability-property insurance requirements should be increased to \$10,000 and \$5,000 minimum coverage respectively.

► Forwarder reporting requirements should be revised to require semi-annual reports, showing, *inter alia*, a breakdown between international and domestic forwarding revenue and between forwarding and other revenues, an estimated allocation of forwarding expense and the volume of consolidation by type of airline and geographical area of origin and destination.

### AFFA View

Louis P. Haffer, executive vice president of the Air Freight Forwarders Association, told *AIR TRANSPORTATION* that "the decision in the main is pretty good, in some respects very good." He felt that authorization to charter aircraft from certificated air carriers, foreign air carriers, and supplemental air carriers will be "a real boost to forwarder traffic." Haffer applauded the Board's position in okaying the handling of forwarder shipments as agency shipments when a consolidation cannot be affected.

"It will help the small forwarder," the AFFA official asserted.

Haffer welcomed the expressed intent of the Board to promote and develop international air cargo. While offering the opinion that "a number of the proposals will assist materially," he added that AFFA was disturbed by the failure of the Board to realize that "a favorable attitude on rate agreements between airlines and forwarders" would stimulate more than anything else development of the total air freight market.

The Board's turndown of free or reduced-rate air transportation for forwarders was termed "illogical" by Haffer, pointing out that travel agents now enjoy this privilege.

He struck out at the recommendation to change the forwarder's designation to "air cargo consolidator," claiming that it does not reflect the full range of services rendered to the shipper.

"Air cargo consolidation is only a partial function of the forwarder," Haffer stated. "I can see no reason for changing the title. International air freight forwarding has a definite meaning to the shipper. It is more important to have a title which means something to the shipper than to the carrier. As a matter of fact, the term 'consolidator' has an entirely different connotation in Europe where it denotes an agent rather than an indirect carrier."

### Executives Comment

Alvin B. Beck, executive vice president of Air Express International Corp., was enthusiastic in his views on the CAB opinion. In a statement to *Air Transportation* he said:

"The recent decision handed down by the Civil Aeronautics Board concerning the International Freight Forwarder Investigation is the most important decision to date in the history of the industry.

"Not only has the CAB recognized the importance of the international air freight forwarder, but in its decision they have provided much more latitude for the forwarders to operate profitably. For the first time the international air freight forwarder has acquired a status in an industry where heretofore he was practically unrecognized.

"With the new rights granted by the CAB, the freight forwarder will now be able to plan for the future in a businesslike manner and make a serious investment toward the future development of international air cargo.

"The right to charter and the ability to enter into preferential rates with carriers will undoubtedly lead to the development of greater tonnage of international air freight which, in turn, will provide greater profits for the international air freight forwarders and the direct air carriers as well.

"We feel that this occasion marks an historic period in the growth of international air cargo transportation and we commend the Board for getting the detailed facts and for their thoroughness in this investigation."

Robert Seitel, president of Allied Air Freight, Inc., New York, and former president of AFFA, speaking "for myself and not as an association board member," declared himself "elated with the CAB decision with the exception of a couple of points." He felt the lack of a reduced-rate transportation privilege for forwarders was discriminatory. He also called the recommended term, "air cargo consolidator," inadequate and hardly descriptive of the total nature of the forwarder's function. In the main, he called the Board's opinion "friendly."

Erwin Rautenberg, general manager of Air-Sea Forwarders, Inc., Los Angeles, had this to say about the CAB action:

"I am pleased to note that the CAB has

ruled so many items in favor of our trade. Yet, I am also making the observation that some of the rulings are bound to favor the larger forwarding firms over the smaller ones. I have not had time to study everything in detail, but I have the impression that as a result of certain proposed rulings, the smaller air forwarders would be at a competitive disadvantage. This, I feel, is not fair, particularly at this time while the industry is still in its formative stages.

"It would make it difficult for smaller and new firms to develop themselves to a point where they can operate profitably and provide a better service to the public. For instance, I feel that no special rate agreements should be allowed by the CAB to any forwarder unless all other forwarders could obtain identical rate, etc. advantages.

"I am particularly disappointed with the CAB's ruling against the free and reduced-rate transportation. This, in my opinion, is a very unrealistic and impractical decision. I do not think that IATA air cargo agents should be authorized free travel; that would be overdoing it. However, an active international air freight forwarder must travel to establish his overseas agencies, offices, airline connections, etc. He must keep traveling in order to maintain, supervise, and improve his overseas setup. An international air forwarder cannot remain in business and provide a competent service to the public unless he has smooth-working overseas agents, etc. This cannot be accomplished by correspondence or telephone.

"While conditions within the United States for domestic air forwarding is more or less identical in the various business centers all over the country, this situation is different overseas. Different customs regulations must be studied, currency problems solved, conditions for breakbulk and efficient ways of on-forwarding established, plus a great number of things which can only be done on the spot and in person.

### Must Keep Abreast

"Once an international air forwarder is established in the trade, he must at all times keep up with changing business and other conditions abroad in order to maintain a competitive and dependable service. It is a known fact that some of the larger air forwarders are connected with travel agencies and thus are able to obtain their reduced-rate transportation. This, again, is not fair to those forwarders who do not have this advantage. In my opinion, ways and means should be found by the CAB to allow for free or reduced-rate transportation to international air forwarders, and only to those firms which are active in the trade.

"It might be a fair arrangement if every active firm designated one or two of key people who would be registered with the carriers and/or the CAB as authorized for free or reduced-rate transportation. This would cut out the violators and still leave these travel facilities open for the best people in the trade. I am certain that this would not only mean an improvement to the individuals' business, it would very much contribute to the sound development of U. S. Flag air cargo transportation with our overseas neighbor countries."

CAB Member Denny's dissent was "on one major issue"—that of authorizing forwarders to convert a shipment received for forwarding to one on which an airline agency commission is received. He called it "a complete reversal of the Board's recent announced policy in the Air Freight Forwarder Investigation (April 13, 1956)."

Vice Chairman Gurney shared Denny's view with respect to the foregoing. How-



ever, he went considerably further in the dissenting portion of his opinion. In addition, he "would not permit the air cargo consolidators to use supplemental air carriers on either a charter or individual shipment basis," and he is opposed to authorizing forwarders to engage in joint loading.

Gurney maintained that "no need for the use of supplemental carriers has been shown in the record before us." He said that "instead of need for additional cargo space, the record overwhelmingly shows the abundance of all-cargo service our certificated carriers are providing." Warning of a possible disruption in the rate level and structure, Gurney asserted:

"The Board . . . has established a media by which a rate war can develop. One of the basic reasons for the use of the supplemental carriers by the consolidators will be to obtain a lower rate. The supplementals can offer a lower rate in the lush cargo markets because of their lower costs, both direct and indirect. To meet this competition and the resulting loss of business, the carriers who are members of the conferences will of necessity be forced to meet the lower rates. Uneconomic rates will result and the financial conditions of all the direct carriers will be seriously undermined. The consolidator can also play one carrier against another, both scheduled and supplemental, to obtain the lowest rate until the consolidator will be the dominating force in the whole international air freight industry. Under such conditions, the shipper will suffer from a deterioration of service and from the rapid fluctuation of rates. Only the consolidator will benefit by increasing his profit, if he retained his volume, a doubtful assumption in the chaotic situation which can ensue."

#### A "Vampire"

The Board's acting chairman charged it with having created a "vampire." He said that the large consolidators "will be in a position to charter the supplemental carriers, thus diverting substantial traffic from our scheduled carriers." By indirection, Gurney said, the Board has "certificated several new carriers without having complied with the standards for certification set forth in Section 401 of the Act."

Gurney expressed the fear that "the combination of indirect-direct carrier . . . could monopolize and control the traffic over the lush routes, leaving the lean routes to the certificated carriers who are required by the Act to serve those markets." The international all-cargo air carriers will be hurt, he said, and the all-cargo schedules of the certificated carriers "will of necessity be curtailed." He added that this will cause the small consolidator, unable to charter a supplemental carrier, to rely on the scheduled carriers' reduced service, eventually driving the small consolidator out of business.

Gurney also expressed concern that "the use of the supplemental carriers in international cargo movements will further complicate our relations with foreign countries with whom we exchange rights."

On the subject of joint loading, he declared:

"Although I concurred in authorizing the domestic air freight forwarders to engage in joint loading, the international air cargo business is considerably different. The international air cargo consolidator attracts and handles a larger volume of business than his domestic counterpart. More shippers engage the consolidator because of the varied services that he offers. The consolidator not only expedites a shipment by choosing the direct carrier, provides the pickup and delivery services,

but also provides for the complicated customs procedures in the different countries and is able to cope with any language difficulties which might exist. These services free the shipper of considerable detail.

"Because of the large volume of business the consolidator is able to attract, he has little need of joint loading authority. His own consolidation is usually sufficient for him to take advantage of the weight breaks in the direct carrier's tariff and enable him to earn a fair profit.

"The small consolidator, however, could take advantage of joint loading authority. This record, however, shows that many of the small consolidators have no desire for such permission. Their concern is that they would be swallowed up by the large consolidator or that one of them would lose their identity if they engaged in this practice with one of their own size. Even those who favored the practice were vague and indefinite in stating their need for it. Under these circumstances, the authority to joint load should not be permitted."

#### Hector's Dissent

Member Hector was opposed to authorizing international forwarders to charter aircraft for consolidated shipments because "such charters are in reality individually waybilled shipments and treated as such." His second and final dissent was based on his own inclination to permit international forwarders to "enter into Section 412 agreements with direct carriers without requiring that they be filed as special tariffs under Section 403." On the charter question, Hector stated:

"Forwarders should be permitted to charter from supplemental carriers just like anyone else, provided the charters are true charters and not combined individual shipments; forwarders should be permitted to use individually waybilled services of supplemental carriers just like anyone else, provided they do not enter into combinations which have the effect of circumventing the limitations on frequency or regularity of such flights. The basic question is not whether the international freight forwarders should be permitted to charter from supplemental carriers, but rather whether forwarders charters with any class of carriers should be permitted for consolidated shipments. . .

"A charter for consolidated cargo is the almost exact counterpart of the agent-assembled passenger charter which the Board has gone to such lengths to prohibit in recent years. The whole Transatlantic Charter Policy has been evolved to prevent exactly what the Board is expressly permitting in this case—solicitation from the general public for a combined special low-rate charter air movement by a person who profits from the transaction. There is no difference in substance between a freight forwarder chartering a plan for consolidated shipment and a tour guide soliciting passengers for a charter flight from the general public and then charging them total fares in excess of the charter price. In both cases, the direct carriers and the person soliciting the traffic have joined together, as the examiner pointed out, to conduct under the guise of a charter what is in actuality an individually ticketed flight, and a flight which might very well not be within the authority of the direct carrier acting alone."

Hector asked if there was any reason to permit a supplemental carrier to exceed the 10-flights-per-month limitation, or in the case of international flights to violate the frequency and regularity provisions,

because the cargo aboard was consolidated by a forwarder rather than by the carrier itself. He also asked if there was any reason "to let a certificated carrier fly routes not in its certificate merely because the cargo was solicited from the shippers by a forwarder rather than by the carrier." He pointed out that "it would be just as possible for a certificated carrier as for a supplemental to develop under the guise of forwarder charters a totally new cargo route to the detriment of carriers already certificated on that route."

#### Dissent Qualified

Hector made clear that his dissent on this particular point did not apply to charters for single-unit shipments or consolidated shipments from a single original shipper. He said that "if the absence of weight breaks or the high level of IATA cargo rates . . . are actually discouraging international cargo traffic, then the supplementals have here a splendid opportunity to show what they can do competitively by the operation of individually waybilled flights," despite certain restrictions. Later he said that if certain IATA tariffs or practices are hampering the development of international air cargo, "then this Board has the clear power, and the positive duty, under Section 412 and our qualified approval of the basic IATA agreement, to compel our carriers to withdraw from the agreements in question."

"I agree with the majority that the function of the air freight forwarder should be encouraged," Hector stated, "but I think they have missed the real way to accomplish this—the approval of appropriate forwarder compensation agreements under Section 412. The majority has announced in its opinion that it is disapproving all such agreements in advance; and that is the second point of my disagreement. . .

"The majority, as I have stated, has decided to encourage the international forwarders by permitting them to join with direct carriers in arranging charter flights which are in actuality individually waybilled flights, and then, since no one knows quite what this will lead to, imposing on the forwarders and the Board alike a new onerous system of charter-by-charter applications and approvals. Far simpler and more realistic is the approach of the examiner which would give the forwarder a real monetary incentive by way of compensation from the direct carrier. To my mind, there is no better way to encourage a business than the establishment of a good, old-fashioned profit incentive—recognized, clearly defined, and out-in-the-open where it can be effectively supervised and controlled. This is a far better approach than inviting the forwarders, as the majority decision does, to combine with the direct carriers in creating a new and disruptive form of cargo traffic which will inevitably revive all of the Board's old problems of illegal combines."

"The Board, in this matter of compensation to forwarders, is flying in the face of transportation practice and experience throughout the world. It is commonly recognized that there are two important groups of services to be performed in connection with a shipment—the forwarder's services to the shipper of handling his shipments and their documentation, and the agent's services to the carrier of drumming up and booking business—and that both of these groups of services are properly compensable. In the field of international air transport, the two functions are performed by closely affiliated groups. In fact, the forwarder and the

agent are in most cases the same business enterprise operating through two corporations. This affiliation between international air freight forwarders and so-called IATA cargo sales agents is commonly accepted throughout the world as a device for according proper recognition of the two types of services performed by the air cargo forwarding group—the one group of services for the shipper, the other for the carrier. The examiner in this case recommends, and I agree with him, that we should bring out into the open this dual-function nature of the forwarder's job and let him receive a commission directly from the carrier rather than 'by a bookkeeping transaction on a separate corporation account.' By thus putting the forwarder's compensation on an open, aboveboard basis, the Board would be able to supervise such arrangements and control them in the public interest under Section 412."

Hector criticized the "excessively legalistic approach" to the problem of forwarder's compensation—the Board approved it, in its decision of August 30, 1955, then on reconsideration reversed itself on March 19, 1957—and offered the opinion that "on purely technical, legal grounds . . . the Board's first decision was sounder." He added:

"The fact of the matter is that an air freight forwarder may play many different roles and perform many different functions so far as a shipment is concerned. In many cases, he serves in all four of the following roles:

"(1) A common carrier vis-a-vis the shipper in so far as he picks up cargo by surface transport and in so far as he assumes responsibility for air transportation of the cargo to its destination. For this he is entitled to compensation.

"(2) An agent of the shipper for the purpose of arranging documentation, customs clearance, etc. For this he is entitled to compensation.

"(3) A shipper or transshipper of consolidated cargoes. As such, the forwarder is entitled to retain any difference between the freight bill he pays and the combined freight bills which he renders the original shippers.

"(4) A solicitor of air cargo. As such, he is entitled everywhere else in the world to receive through an affiliated agency a commission, but under the Board's present decision, he cannot do so in the United States.

"To me it does not make good sense thus to fly in the face of business realities and to place our own freight forwarders at a competitive disadvantage with the forwarders of the rest of the world. . .

"When a man performs a valuable service, I think he is entitled to reasonable compensation from the person who thereby benefits. The direct carriers clearly may benefit from the traffic solicitation and promotional efforts of the air freight forwarders, and if they do and they are willing to pay for this benefit, the forwarders should be entitled to make a reasonable compensation agreement with them. It is not a proper solution to say that the carrier can file a special tariff under Section 403 for a forwarder as a quantity shipper. This type of tariff would apply equally well to General Motors, Sears Roebuck, or any other large shipper. The essential point here is that the air freight forwarder is entitled to compensations not in his role as a quantity shipper, but in his role as a solicitor and promoter of air cargo, in which role he is not a shipper at all but rather a coworker and partner with the direct carrier in developing new air cargo business. As such, he is doing part of the direct carrier's work and should be entitled to compensation therefor. If the compensation is excessive or if the arrangement is used for monopolistic or unfair competitive purposes, the Board has ample power under Section 412 to regulate or terminate compensation agreements, which like all other agreements must be controlled in the public interest. But the public interest does not require that we announce in advance that we will never under any circumstances approve any such agreements no matter what their terms. By so doing, the majority has in this case forbidden a type of arrangement which might more than anything else encourage the proper and legitimate development of the air freight forwarding business."



From FREIGHT NEWS  
U. K. Editorial Associate of  
Air Transportation

TOO much capacity and too few cargoes have been airbrokers' chief problems since last reporting. There has been no sudden change in the market state over the last few weeks, but the quieter tendency which set in after the summer season ended has continued. Thus less business is circulating at a time when more aircraft are becoming available.

One of the market's main concerns is indeed associated with the major airlines' reequipment programs. It has been rumored that the majority of international airlines intend going ahead with their purchasing plans and making more of their still young piston-engined equipment available to the charter market. They can do this in two ways: either they can sell off their unwanted machines to charter companies or else increase their own interest in the charter market. Which of the two courses they take depends on many factors, not least the continuing profitability of charter operations; but there is no doubt that the sharp fall that has occurred in secondhand market prices is a discouragement to sell.

Airbrokers have witnessed something of a phenomenon in recent weeks. Possibly for the first time ever a number of owners of the larger types of aircraft have been actively seeking business. One well-known London broker sees this as a change for the better in market relationships, since operators have had a long run of almost calling the tune in dealings.

The list of cargo fixtures has been a short one. Those most recently recorded have included the following: DC-6A, with horses and attendants Dusseldorf/Washington; a York, with a 7,500-kilo load London/Paris, two flights about a week apart; a York, with a 4,200-kilo load of gold bullion London/Saigon; a DC-4, with a full load Dusseldorf/Calcutta; a Skymaster, with aircraft engines Delhi/London; a Dakota, with ship's machinery Hamburg/Liverpool; and a Skymaster, with a full load Tokyo/Zurich.

As might be expected, present conditions give charterers a wide choice of aircraft types. This possibility explains the infrequency of Dakota mentions in the fixture lists of late.

One effect of the market recession has been an increased demand on brokers' expert services. In days such as this the airbroker really comes into his own, employing his intimate knowledge to greatest advantage. Providing the right aircraft at the right time at a rate acceptable to both charterer and operator is his main function; and more often than not, it takes knowledge and skill to do just this.

## From The Readers

The issues of *Air Transportation* have been quite helpful and interesting.

P. Ludwig  
Vice President  
Eagle Electric Mfg Co., Inc.  
Long Island City, New York

. . . . I would like to mention that each article and detail that you publish in your magazine is extremely important and inter-

esting to us in Europe. Above all, we receive very good insight into the air transport situation within the United States.

But perhaps it also would be interesting if on the other hand you could publish articles concerning the European problems and questions. However, the main reason of my letter is . . . (to say) that your magazine indeed is very interesting and valuable to us. I would like to close with the wish or further success.

Bruno H. Bernstein  
Manager  
Pan-Maritime Cargo Service, Inc.  
Frankfurt, Germany

I should like to advise you that one copy of your magazine is placed in our VIP Lounge and the other copy is sent to the Freight Section. The cargo personnel especially read your magazine very thoroughly. They have come to me on several occasions and discussed articles in your publication. It seems as though they are always asking me to see if we could get this or that piece or type of equipment. I am most pleased with the interest shown toward the monthly issue of *Air Transportation*.

Major Robert J. Cowin  
1614th Support Squadron  
Military Air Transport Service

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#### COLLINS ENGINEERING CORPORATION

9000 Washington Blvd., Culver City, California

## NEW EQUIPMENT

FOR THE

## Shipper & Carrier

SI Handling Systems, Inc., has announced a new trailer for palletless freight handling. Designed for heavy duty warehousing, freight handling and manufacturing operations, the trailer is said to eliminate the need for pallets and substantially reduces handling time in the outbound operation.



Freight is loaded from stock onto SI trailer coupled to train. Tractor tows the train to loading dock, where a multiple fork lift truck picks the freight off the trailer and carries it into delivery trucks. Freight is automatically shoved off the forks by a hydraulic pusher unit. The trailer is of all-steel construction, with mold-on rubber or steel wheels and fabricated steel automatic couplers. It is designed for fast hard tractor trailer operation, with minimum weight for easy manual handling.

Towmotor Corporation has announced a new method of power transmission based on the principle of hydrostatics. Called Towmomatic drive, it enables Towmotor operators to control all forward and reverse movements with a treadle-type pedal operated by the left foot. According to company officials, nine out of 10 Towmotor lift truck users will specify Towmomatic drive by 1960.

The new drive is said to provide instantaneous power application while eliminating much of the traditional mechanism formerly required to operate a fork lift truck. It requires no clutch assembly, transmission, drive line or differential and, of course, manual shifting levers are also eliminated. The drive pedal is specially designed for fatigue-free foot operation. Pedal movement results in a smooth, rapid pick-up, with no jarring of loads, and inching of truck is accomplished by this same pedal control, the company said.



## BOOKS

The past, present, and future of space travel is covered by Carsie C. Adams in his *Space Flight* (McGraw-Hill Book Co., 375 pages; \$6.50). Adams treats his fascinating subject with care and lucidity. The lay reader will find this wide-ranging book on astronautics not difficult to understand and, we feel, wholly satisfying. This is as complete a volume of this type as one can hope for at this time . . . We commend to you Oliver Stewart's *Danger in the Air* (Philosophical Library; 194 pages; \$10.00), an intelligent appraisal of safety in air travel, and the steps by which progress in safety has been achieved. Stewart hits his particular bullseye in the very beginning, stating: "Air accidents can be both interesting and instructive. And he proves his point, showing how tragedy begot improved safety. He makes no secret of the fact that he opposes those in the aviation field who would play down the news of air accidents. 'My own belief,' he says, 'is that the fuller and the freer the discussion of these failures, the better for the future of flying.'"

What is the helicopter? What makes it behave as it does? What may we expect from this unique aircraft? Jacob Shapiro, a well-known engineer and designer, does an admirable job in explaining this machine in layman's terms in *The Helicopter* (Macmillan Co.; 269 pages; \$4.50). He follows to the letter his own conviction that "the most dangerous tyranny which the world is facing today is that of the expert entrenched behind the 'science curtain.'" This curtain to the helicopter is drawn wide by Shapiro . . . Some four decades ago, the Allies suffered 400,000 casualties in Flanders, 150,000 of this number fatal. Was this campaign a wise one? Military experts still debate the question. In *In Flanders Field* (Viking Press; 308 pages; \$5.00) Leon Wolff reconstructs the events of 1917 from a mass of sources. The narrative is compelling, lending strength to this military history. The infighting between the military and the politicians is both revealing and a lesson. A valuable work.

Any new novel by John P. Marquand is an event. His *Women and Thomas Harrow* (Little, Brown & Co.; 497 pages; \$4.75) hits the bullseye, and it may well be ranked among his best, if not the very best, of his prolific output. In this book, Marquand concerns himself with a playwright who has messed up his personal life as well as his financial security. His pen portraits are deep, probing, ever the mirrors of profound human understanding. There is no one in America who can tell a story better than Marquand, and we are glad to see him back again in his old rare form. The special stamp of Marquand is all over *Women and Thomas Harrow* . . . Colin McDougall, who served as a Canadian infantry officer in the Italian campaign, has produced a dynamic short novel, *Execution* (St. Martin's Press; 228 pages; \$3.50), one which turns an inward glare on man and his reactions under stress and under command. The scene laid in Sicily in the summer of 1943, McDougall's warriors—Italian as well as Canadian—are girdled in horror and misery, executing and being executed. The author's prose is stripped bare to propel the punch his narrative requires, and this he dispatches with power and conviction.

With a little practice, even normal braking can be done by simple operation of the drive pedal, it was pointed out, making it unnecessary for the operator to switch his right foot back and forth between brake pedal and accelerator. Towmomatic drive action is reported to be so simple that it can be mastered by any operator within a few minutes' practice.

Towmotor claims that exceptionally smooth creeping and inching control is provided in both forward and reverse directions. All current Towmotor lift truck

## Novel by AT Staffer

Newest novel of Viola Castang, a member of the editorial staff of *Air Transportation*, has been published in England by W. H. Allen & Co., Ltd. It is *The Invisible Cord*, and deals with the personal relationship of an Englishwoman and an American public relations man. Set in a small English town, Miss Castang admirably portrays an assortment of local characters whose activities provide an interesting backdrop to the main line of the novel. Miss Castang, a native of England herself, has a prodigious output of novels, with about a dozen published before *The Invisible Cord*.

Major General Sir John Kennedy's personal recollections, staff notes, and memoranda on the great decisions of the last war, and the men who made them, have been whipped into shape by Bernard Ferguson. They appear in an absorbing book with which you may or may not agree in total, but which is certain to take a respected place in military literature. It is *The Business of War* (William Morrow & Co.; 375 pages; \$5.00). Sir John treads on toes, lifts a skeptical eyebrow here and there (which is often), and lets loose some bitter darts, especially at the politicians. There is new insight on the play and interplay of personality, and on military, political, and international relations. Introduction is by Walter Millis . . . Fourteen distinguished writers have contributed their talents to make *The Romance of North America* (Houghton Mifflin Co.; 445 pages; \$5.00) an outstanding description and interpretation of that part of this continent stretching south from Alaska to Mexico, inclusive. Edited by Hardwick Moseley who refers to North America as "the most successful and favored continent of historical times," he underlines the singleness of the people in the lands north of Guatemala by contending that "our quarrels will always be family quarrels to be resolved amicably as is seemly between people who live under one roof." This is a fine book, lifted way above the ordinary by the quality of its contributors. Preface is by Preston E. James.

In his book, *East is West* (Oxford University Press; 243 pages; \$4.50), Arnold J. Toynbee tells informally about his (and Mrs. Toynbee's) 17-month journey around the world. If *East is West* is radically different from his monumental *A Study of History*, it is not so different that Mr. Toynbee's erudition does not show through. The more than 70 short articles which fill his book offer evidence that the Toynbees did not follow the beaten tourist track. The author speaks of man wherever he has found him, his society, his religious life, with frequent dashbacks to history. Unorthodox as this travel book may be, it still is Arnold Toynbee to the last page . . . *Roaming Britain*, by Willard Price (John Day Co.; 308 pages; \$5.75) is a delightful account of Mr. & Mrs. Price's travels from the source of the Thames to its mouth—8,000 miles on foot and by canoe, motor launch, and car, through England, Scotland, and Wales. Witty, informative, *Roaming Britain* offers much to the reader. Whether you've been to Britain or not, you'll find this book rewarding.

attachments of standard design will eventually be available on Towmotor models equipped with Towmomatic drive. According to company engineers, the new drive has already proved its superiority over mechanical and conventional automatic transmission—in exhaustive tests conducted in users' plants and in commercial testing and research laboratories. Cost is described as "surprisingly nominal, in view of the unit's many operating advantages and potential savings to all types of industry in reduced . . . costs."





The numbered paragraphs on this page correspond with the numbers appearing in the prepaid order card attached here for your convenience. To order one or more pieces of literature, or other types of materials, at absolutely no charge to you or your firm, just encircle the corresponding number in the order card, fill in the required information, and mail it in. Air Transportation will do the rest of the job.

**86** *A Question of Distribution*, TWA's digest version of the excellent Harvard study, *The Role of Air Freight in Physical Distribution*. Valuable reading.

**87** New four-page bulletin providing complete operating and design specifications of Elwell-Parker's Model F-45T3 2,000-pound capacity electric-powered fork lift truck.

**88** *How to Increase the Prestige of Your Mail*, an excellent 12-page color-illustrated brochure which points to the postage factor as an important but often overlooked influence in building business prestige through the mail. Contains exhibits of metered mail, case studies, a table of relative effectiveness of the pulling power of various forms of postage, etc.

**89** You'll like REA's new booklet, *The Late, Late, Late Show*, a highly amusing treatment of the services of Air Express.

**90** Here's a case history of how a major liquor wholesaler increased the speed of the materials handling operation in its warehouse by 75%.

**91** *Solid Fibre News*, a four-page folder which suggests a variety of interesting uses for this packaging material. Illustrated.

**92** New brochure describing and illustrating the operating and design features of a new line of four-wheel freight carts with removable and replaceable decks.

**93** *ComptoPak Packing Program*, a 32-page book which contains numerous diagrams and drawings illustrating the adaptability and various uses of the manufacturer's packing devices, reported to apply to packaging wraps of all types, "from furniture to small parts and accessories, and from soft goods to fragile glassware."

**94** An eight-page, illustrated booklet, *Can Your Mailing Scale Pass the Silver Dollar Test?* provides some valuable information with respect to accurate mail weighing. Reading this may save you some money.

**95** How typical firms, small and large, save time, money, and postage, is detailed in the booklet, *11 Case Studies of Postage Savings Through Precision Mailing Scales*. These studies were compiled from actual field reports.

## Please Read This

Items are offered in *Come 'n' Get It* for three consecutive months. Added this month are Items Nos. 104 to 117.

Items generally remain available for approximately three months after the last time of publication, but may be withdrawn earlier.

**96** A new illustrated brochure presents information on the Barrett Guide-O-Matic, the electronic industrial tractor which requires no operator. Brochure shows various applications.

**97** Here is an illustrated folder on the expandable prefabricated cargo van, a collapsible shipping container, for domestic and export use, constructed on an entirely new principle. Panels of the container may be mounted or demounted in such a way as to vary capacities.

**98** Illustrated data sheet describing a new trailer for palletless freight handling. Designed for heavy duty, warehousing, freight handling, and manufacturing operations.

**99** Valuable for shippers—the Gerrard *Handbook of Strapping and Materials Handling Equipment*. Well designed booklet. Includes a large variety of equipment and technical data.

**100** New four-page folder describing Elwell Parker's Model F-45T4 4,000-pound capacity electric-powered industrial truck.

**101** Sample card, complete specifications, etc., of a new cushioning material for protecting sharp, breakable, or easily chipped edges in packaging, interplant, or on-the-job handling.

**102** Photographic illustrations of the many uses of a Midwest manufacturer's adjustable storage racks.

**103** New illustrated brochure describes what is reported to be the first narrow-aisle rider-type electric tiering truck with a 24-volt electrical system. Available in 2,000- and 3,000-pound capacities.

**104** New case history bulletin which describes and illustrates how warehouse space was increased 20% and the working force decreased 35% through the use of palletized kegs and multislized cartons.

**105** Here's a 16-page booklet which describes and illustrates all the operational features of a walkie-type truck, and how it works in congested areas, on short hauls, etc. The booklet gives facts to consider in analyzing truck requirements in setting up or revamping a materials-handling program.

**106** New handy-sized memorandum tariff of British Overseas Airways Corporation. Specially designed for easy reading and quick information. Includes transatlantic, transpacific, Caribbean, and South Pacific (offshore) cargo rates. Also includes BOAC-Qantas schedules and package-dimension charts.

**107** *How to Stack and Load Corrugated Shipping Boxes* is out in a newly revised edition. Text and illustrations describe effective methods of estimating storage space, distributing load weights, handling, identification, and the use of gates, bulkheads, barricades, and weatherstripping. Excellent.

**108** Folder which describes a manufacturer's new series of low-cost storage racks. Photos show the many uses of racks in warehousing of almost any kind of materials.

**109** New catalog on reusable containers for portable or airborne military electronic equipment. Describes all types of custom-built containers built to military specifications.

**110** Well-designed little folder which describes the transatlantic air cargo services of Alitalia. Includes general commodity rates between New York and overseas points, route map, and easy-to-read schedules.

**111** *The Lever*, 16-page magazine of a materials-handling equipment manufacturer. Features various articles of particular interest to those interested in materials handling.

**112** *Pallet Handling in Narrow Aisles*, 24-page booklet which answers various questions on problems relating to pallets and their proper handling, as well as describes the principal types of trucks available for narrow-aisle operations. Illustrated.

**113** Exceptionally well-designed appointment calendar suitable for wall, file, or desk. A good supplement to your daily appointment record.

**114** *Balance at the Bargaining Table*, a 20-page booklet which discusses "the responsibility of labor, management, and government in the Civil Jet Age."

**115** *The Civil Jet Age*, an absorbing little booklet which gives "the how, the what, and the why of the jet airliner." Illustrated. You'll like this.

**116** Attractive brochure which tells all about Swissair's new DC-6A all-cargo service across the North Atlantic. Of interest to all air shippers.

**117** Here's an attractive folder which tells how to improve the marking and taping of your shipments. Features various types of equipment stencil machines, tapers, markers, etc.

## Air Cargo Films Available Free

Readers of *Air Transportation* may borrow without cost to them any or all of the sound motion picture films listed below. Each film is concerned with air cargo. It will be loaned with the understanding that it will be presented before industrial traffic or business groups.

To receive one or more films, circle the appropriate key number on the prepaid postal card bound into this issue.

Key No.	Title	Produced For	Color or Black & White	Running Time
221	Winged Cargoes	BOAC	C	15 min
222	Winged Profits	KLM	C	28 "
224	The World—Your Market Place	Pan American	BW	22 "
225	In Your Hands	Pan American	BW	17 "
226	Air Van to Europe	Seaboard & Western	BW	15 "
227	Ship the Best Way	United	C	28 "
228	Time Flies	Lockheed	C	14 "
229	The Tasks of Hercules	Lockheed	C	10 "
230	Airfreighter	Lockheed	C	12 "
231	Milestones of Transportation	Lockheed	C	10 "

\*Available in English, French, German and Spanish Narration.



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